The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

How the Kellogg Pact Was Invoked

By Harold S. Quigley

A Railroad Born in Sin

By Ching-Chun Wang

Who Was To Blame for the Manchurian Debacle?

EDITORIAL

Shigemitsu's Appointment as Japanese Charge D'Affaires

Territorial Sovereignty and the Cable Contracts; Silver Slump and its Reactions; Peasant Labor Conditions in Soviet Russia, by Donald Day; What Does the Extrality Mandate Mean; Troubled China, Leaders at Loggerheads, by David Tung Foo Hsu; North Manchurian Events; Third Degree Methods by Hongkong Police; Railway Administration Under the National Government.

SATURDAY, JANUARY 25, 1930 VOLUME LI, NUMBER 8

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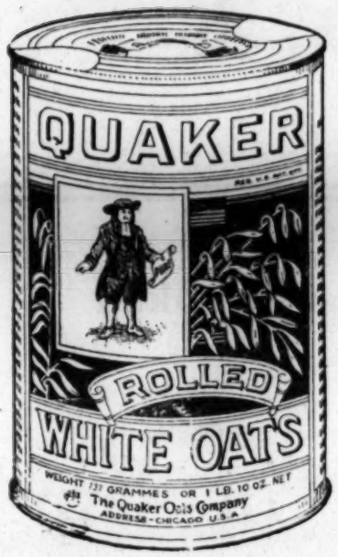

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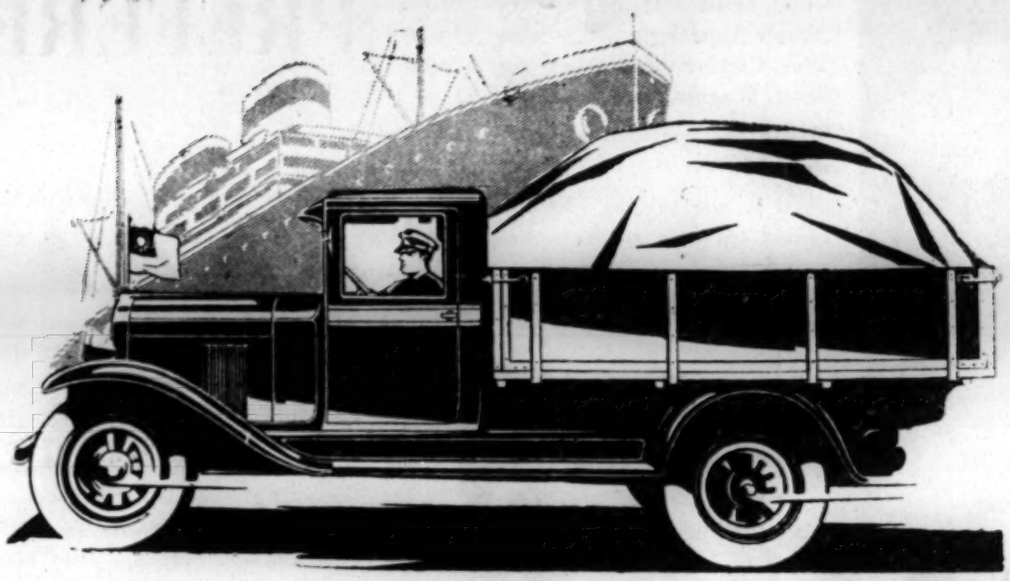

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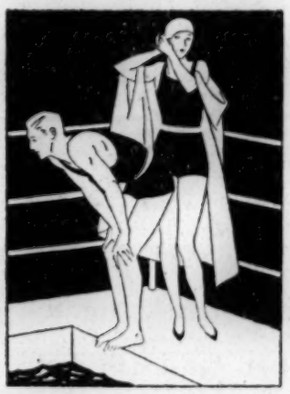

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SHIGEMITSU'S APPOINTMENT AS CHARGE D'AFFAIRES

ON FRIDAY of last week the Japanese *Rengo* news service casually announced, in the course of a dispatch from Nanking that Mr. Shigemitsu, Japanese Consul-General at Shanghai, "who had been appointed Charge d'Affaires," had gone to Nanking to call on officials of the National Government. This was the first news published anywhere that Mr. Shigemitsu had been appointed Japanese Charge, and since it was news, it was picked up and telegraphed to Japan where the announcement appeared in the Japanese newspapers. In other worlds there was no public announcement from Tokyo. According to the *Rengo* dispatch Mr. Shigemitsu went to Nanking, called on Dr. C. T. Wang, presented his credentials, and then was given a welcoming dinner by Gen. Chiang Kai-shek wherein felicitous speeches were delivered. Gen. Chiang declared that Nanking was glad to welcome Mr. Shigemitsu as acting minister and Mr. Shigemitsu expressed the hope that there would be an early improvement in Sino-Japanese relations, and stated that he was ready to open negotiations on the matter of a new commercial treaty (replacing one which expired in 1926) immediately. While in Nanking Mr. Shigemitsu also called on T. V. Soong, Minister of Finance and discussed the matter of China's decision to use a gold monetary unit as a basis of calculating customs duties. Something also was said about China's reported plans for further increases in the import tariff. There is hope that Mr. Shigemitsu's appointment will mark the beginning of a new and better era in Sino-Japanese relations, but comment in the Chinese newspapers does not appear over-optimistic, as the following from the *Shun Pao* on Jan. 20 indicates:

> "Although it is reported that negotiations are shortly to be opened for the revision of the Sino-Japanese commercial treaty, prospects are still very dark. Japanese merchants, especially Osaka merchants, are standing out strongly for a continuance of their existing privileges in China. They are determined to make no concessions. When Yoshizawa was appointed Japanese Minister, he always was given a hearty send-off by the Osaka merchants when he returned to China from Japan after his periodic visits. But when Mr. Saburi returned to Japan from his trip to China, he was treated very coldly. Mr. Saburi was a modern diplomat with a modern viewpoint, hence the Osaka merchants didn't like him.
>
> "When Saburi was Minister to China, he made many suggestions regarding revisions in Japanese policy, which were filed with the Tokyo Government. But all were rejected and Saburi was deeply dis-

PHILADELPHIA

appointed. Therefore he committed suicide. However the cause of his suicide, while strongly suspected, could not be confirmed.

"Then Obata was appointed Minister to China and his rejection by the National Government was considered a humiliation by Tokyo. Now the Japanese Government has decided to dissolve the present parliament. Therefore Mr. Shigemitsu has been appointed Acting Minister in order to create an atmosphere of revising the Sino-Japanese treaty. It is necessary for the party now in control of the Japanese Government to show the Japanese people that it intends to take action on various outstanding questions. This is being done in order to win the forthcoming Japanese elections. The present party in control of the Japanese Government is using the appointment of Shigemitsu as a domestic political gesture in Japan."

TERRITORIAL SOVEREIGNTY AND THE CABLE CONTRACTS

TWO OF THE foreign cable companies, the Great Northern and the Eastern Extension, constituting the most important units in the so-called British-Danish cable trust, have sent a letter to the Ministry of Communications of the National Government claiming that the privileges granted them by the former Manchu Government of passing cable lines through Chinese territory, "must be regarded as irrevocable". The same letter expressed the readiness of the cable companies to send representatives to Nanking for the purpose of discussing the question of the renewal of the cable contracts which expire on December 31, 1930, but apparently only on condition of the present National Government's recognition of the "irrevocability" of a right granted by the defunct Manchu Government. If this report, which was circulated by the official *Kuo Min* news agency, is correct, it means that there has been no change in the mental outlook of the proprietors of the cable companies despite all that has happened in China since the overthrow of the Manchu regime nineteen years ago. But while the proprietors of the cable monopoly apparently do not suspect it, much has happened in China's attitude toward foreign monopolistic enterprises on Chinese soil since the Manchu regime passed out of the picture. For example, when the National Government made contracts with American and German radio interests for the development of wireless communication between China and other countries, clauses were inserted in these contracts providing for Chinese control and supervision of the stations located on Chinese soil. Foreign assistance, of course, was utilized in the construction and operation of the plants but the control was kept in the hands of the Chinese, a method of procedure which has been followed by all enlightened governments in respect to the control of means of communication passing over their boundaries.

Wang Peh-chun, Minister of Communications, under whose department this question falls, was quoted in the *Sin Wan Pao* on Jan. 18 as declaring that the agreements between the Chinese Government and the Great Northern and Eastern Extension cable companies definitely would be revised when they expire at the end of the present year. He stated that both companies had been duly informed of the cancellation of the old agreements and while the Government still owes about $4,000,000, it was planned to float a $10,000,000 telegraph loan with the object of paying off the old cable loan and at the same time providing funds for the construction of a high-power wireless station at Shanghai capable of communicating directly with foreign countries. In reference to the claim of the cable monopoly regarding its "irrevocable right" to maintain cable lines passing across Chinese territory, the Minister of Communications declared that this contention was regarded as "absolutely untenable and unjustifiable" and that the proprietors of the cable companies would be informed to this effect immediately. The situation thus seems to be narrowed down to two important points: The refusal of the cable companies to sell their properties to the Chinese Government and insistence upon the continuance of an ancient concession granted by the Manchus permitting the cable companies the right to operate and control lines passing over Chinese territory.

Recently the *Associated Press* and *United Press* reports from Washington have told of efforts being made in the United States to consolidate radio and telegraphic organs into one powerful group in order to enable American communication organs to withstand the competition of the British Cable-Radio trust. In the course of testimony presented before the U. S. Senate Committee on Interstate Commerce in Washington recently, Owen D. Young, chairman of the Radio Corporation of America, declared that if there was any hesitation on the part of the American Government in permitting the creation of a monopoly of external communications in the hands of a private company, then "I beg you in the national interest to unify American communication organs (radio, telegraph and cable) under government ownership so that America may not be left, in the external communication field, subject to the dictation and control of foreign companies and governments." General Harboard, also an official of the Radio Corporation, testifying before the same committee made an even stronger statement, "At the present moment there is a race among the nations as to which can plant its flag first upon those radio channels by actual appropriation and use." For a considerable period, the officials of the Radio Corporation of America have been trying to obtain the permission of the U. S. Government for the formation of a private corporation, under government control, that would include the Radio Corporation of America, the International Telephone and Telegraph Company and the cable lines of the Western Union service and in addition has advocated the merger of the domestic services of the Western Union and Postal Telegraph Company. While the efforts which are being made in the United States to unify communication organs, in order to enable them to withstand the competition of the British Cable and Radio Trust are not of direct interest to China, it is nevertheless of very great indirect interest because of the fact that it is the same European cable and radio trust which is seeking to perpetuate its monopoly on Chinese soil. While the attitude of the American Government on the question has not yet been indicated, the chances are that permission will be granted for the formation of a unified system of American radio and cable organs. If the American cable and radio interests, with their known financial strength, feel the necessity of protection

against European controlled communication monopolies, how much more necessary is it that the Chinese Government should proceed most carefully in its consideration of this subject. And while on this point the most important element from the standpoint of the Chinese public is to protect itself against secret deals and underhanded intrigue which characterized previous negotiations on the part of the Manchu Government and its successor, the Republic of China, which functioned at Peiping.

THE SILVER SLUMP AND ITS REACTIONS

THE SLUMP in silver still remains the principal topic of conversation in business circles in China. There has, however, not been any appreciable change in rates during the past week or two, and the decline seems to have reached the bottom. Exchange at present stands about Mex. $2.70 or 2.75 to the American dollar. The silver situation has had its repercussions in a number of directions. For one thing, it has so increased the cost of imported articles that the Chinese have practically ceased placing any orders, with the exception of the most needed articles and such for which China is not in a position either to provide a substitute or manufacture a fair imitation of inside her own realm. In addition to that, some of the principal Chinese importers have banded together with the object of cancelling orders placed previously for goods which have already arrived or are about to arrive.

In order to make the situation clear to the general reader it will be appropriate to mention the bare elements incidental to the placing of an order for foreign goods by a Chinese importer through a foreign agent. After the price is agreed on and the foreign agent has confirmed the order to his principals abroad by cable, a contract is written out between the Chinese buyer and the foreign agent here.

In the majority of cases this contract is written, not in the currency of China, that is taels or dollars, but in the foreign currency—pounds, dollars, francs or whatever it may be. Then comes the matter of what is known as fixing the exchange. The usual course is for the foreign agent to put it up to the Chinese trader to say, "When?", that is, the Chinese trader can at the same time as he places the order authorize an exchange contract to be made with a bank fixing the relation between the foreign currency and the Chinese currency. The only really safe procedure is for such an exchange contract to be made simultaneously with the placing of the order for the goods, as in that way all risks are avoided. In the present instance, with exchange going against them, the average Chinese trader waited and waited, hoping against hope that there would be a turn for the better. But there hasn't been, so the traders have banded together to stave off the probable losses that they may incur.

One of the incidentals to the present impasse, it may be stated, is that foreign agents are trying to change the custom of quoting gold prices in contracts to silver prices, and although on the face of things this would seem to be more risky for the foreign agent than the present method, as a matter of fact it would not be, as the foreign agent would then, without waiting for the Chinese trader, make his own exchange contract simultaneously with the making of the goods contract with the Chinese buyer, and then no matter how exchange might fluctuate, the Chinese trader would have no "come back", as he would be bound by a contract made in his own currency.

Another important repercussion of the decline in silver has been the decision of T. V. Soong, Minister of Finance, to place all specific duties on a gold basis. To do so has, incidentally, required that the Haikwan tael, which is a hypothetical unit, be replaced by another hypothetical unit—namely a non-existent Chinese gold coin worth forty American cents. The reasons given by the Chinese Customs service for this change are that as China's foreign debt is in gold it would be a hardship for China to base its revenue on a silver basis, while at the same time having to pay over a large part of the revenue on a gold basis. The net result of the increased duties—they affect only those which are based on a weight or unit basis, and not those already placed on a percentage basis—is to add a still further burden on imported articles, the import of which is already made exceedingly difficult by the cheap price of silver. It is an undoubted fact that the cheap price of silver by making imported articles expensive will give a great impetus to manufacture in China, and at the same time also it ought to create a boost in China's exports. However, as regards exports, one of China's principal customers—America—is not placing any large amount of orders at the present time.

The present decline in silver, although silver has reached the lowest point in history, has not, however, been the most violent "surge"—to use an expression from electrical nomenclature—that silver has experienced. Bad as the present impasse is, the effects have not been, and likely will not be nearly so serious, as they were about seven years ago when the silver dollar, after enjoying an extended period of value almost equivalent to the gold dollar, suddenly dropped in value within the space of a few months by about forty per cent, with the result that thousands of Chinese and foreign concerns were ruined. One of the old real estate holding families had its millions cut in half, the greatest of all British piece goods houses in China went into hopeless bankruptcy, numerous cotton mills and trading companies closed down, and business was in the doldrums for more than a year.

However, one of the good effects of the present silver decline has been that China's financial leaders have been impelled to make serious efforts to improve China's monetary system. The whole thing is cumbersome to the point of absurdity. With a plurality of taels, with dollars of various brands, with debased subsidiary coinage, with coppers, and even in some places the old "cash", all fluctuating instrinsically and relatively to each other, there has grown up a whole army of people who make a living by changing one of these currencies for another, the profits of which have all to be borne by the submerged millions. China has announced that it will abolish the tael. This will help some, but it will be only a drop in the bucket

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to the task still to be accomplished if China's currency is to be entitled to any real respect.

Discussing China's financial matters with newspaper correspondents during the week, Mr. T. V. Soong, the Minister of Finance, stated that although China has adopted a gold unit for customs purposes he did not think a gold coinage was necessary. Regarding the adoption of dollars as China's standard money in place of the tael he said the Chinese Government is exerting its best efforts to bring the theory into execution. It was expected, he said that as soon as the mint in Shanghai is in working order an amount of $30,000,000 could be coined monthly. As to the composition of the new coin, he said it would be exactly the same as the old one. Tenders with samples were being invited from Japan, Italy, England, Austria and America. The one offered by Italy is perhaps the best and most likely to be accepted by the Ministry, he said.

Who Was To Blame for the Manchurian Debacle?

RECENTLY there has been a tendency on the part of political elements in China to attempt to hold certain individuals responsible for the defeat which China suffered at the hands of the Red Russians in North Manchuria, the most recent criticism being directed at Tsai Yu-shen, Commissioner of Foreign Affairs at Harbin who served as the chief delegate at the Habarovsk conference and thus signed the so-called "preliminary agreement" settling the Sino-Russian controversy over the administration of the Chinese Eastern Railway, the "settlement", of course, all being in Russia's favor. In addition to the criticism directed at Tsai on the ground that he exceeded his instructions, there also have been reports that Gen. Wan Fu-lin, head of the Heilungkiang provincial government, is strongly dissatisfied at the way the Mukden Government handled the situation and has threatened to withdraw his support from Mukden in favor of the Central Government at Nanking. Aside from the foregoing there also has been serious criticism of Dr. C. T. Wang, Minister of Foreign Affairs of the National Government for his alleged bungling of the negotiations with the Russians which was carried on in Berlin through the mediation of the German Government. And on top of all this the so-called "Reorganizationists" when they launched their recent attack on Gen. Chiang Kai-shek and the Nanking Government, gave as one of the chief reasons for their attempt to overthrow that Government, the charge that Gen. Chiang Kai-shek was responsible for the Sino-Soviet complications; that he had attempted to make political capital of the crisis in order to discredit his political enemies. In reading these reports of charges and countercharges which have appeared in the Chinese newspapers regarding the responsibility for China's defeat at the hands of the Red Russians, one is reminded of the story of the judge, who, after listening to the recriminations of two litigants who appeared before him, decided that both were right. Which was another way of saying that both sides were to blame.

There are a number of, at present, unknown elements which will have to be known before one can proceed to a definite affixation of blame for China's defeat at the hands of the Russian Reds. It is however, no longer any secret regarding the methods which the Red Russians used in defeating China and restoring their control of the C. E. R. as well as their old prestige as a strong military power in Eastern Asia. They did this through an intelligent use of modern military weapons on land and in the air, plus the skillful use of propaganda and intrigue which had the effect of demoralizing the Chinese political and military resistance. By using these various means of modern warfare, the Soviet Government, a highly centralized dictatorship, was able to defeat the Chinese. Also, by using a well-organized international propaganda machine, the Soviet Russians were able to place the blame for the whole Manchurian trouble on the Chinese and make most of the world's newspaper readers believe it despite the frantic protests of the Chinese that their action in ousting the Reds from control of the C. E. R. was fully justified. One might therefore argue, conversely, that China was defeated because her military weapons were inferior to those of the Russians; that China was precluded from conducting a counter-propaganda or intrigue on Russian soil similar to that which the Russians have conducted on Chinese soil for several years; that instead of possessing a highly centralized governmental authority, China was almost completely disorganized with a serious domestic civil war on her hands in addition to the crisis with the Soviet. Finally, China was practically without the means for presenting her case in a favorable light abroad and had to depend upon the dispatches sent by foreign correspondents in China, not all of whom were friendly to the Chinese point of piew. Undoubtedly it was a combination of all these elements that brought about China's defeat by the Red Russians who knew China's weakness and took advantage of it to the fullest possible extent. In other words, the Soviet Russians knew exactly what they wanted and how to get it and proceeded along that line. The Chinese, or at least a considerable number of them, did not have any clear view of the issue and because of domestic discord and political dis-unity gave the Red Russians the opportunity they long had been wanting for regaining their imperialistic position in Asia which they had lost as a result of their own revolution a decade ago.

The Chinese also suffered from many handicaps which weakened their case, but for which they were not directly responsible. The existence of the exterritorial system permitted the Russians to utilize the services of other foreigners who enjoyed consular protection and hence were outside the scope of Chinese laws or even military martial law regulations. In this way the Soviet continued its propaganda and intrigue on Chinese soil without cessation throughout the course of the conflict. The Soviet also took advantage of the exterritorial system in the protection of its property against confiscation by simply transferring it to some other flag that possessed consular protection. The Russians also received much diplomatic and political assistance due to the position of the Japanese in South Manchuria, the Japanese realiz-

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A RUSSIAN CARTOONIST ON THE C. E. R. SITUATION

THE STATUS QUO ANTE

THE AGREEMENT

The above cartoons by G. Sapojnikoff, a Russian artist on the staff of the North-China Daily News, British newspaper in Shanghai, typify the new Soviet deal on the Chinese Eastern Railway. The cartoon on the left shows a Soviet engineer in the cab with a Chinese shoveling coal while the one on the right indicates in graphic manner the methods used by the new Soviet management in clearing out the Chinese interests which accumulated during the period of Chinese control following the ousting of the Soviet management last summer.

ing that a Soviet defeat at the hands of the Chinese in North Manchuria would result in the Chinese immediately concentrating their attention upon the Japanese railway monopoly in South Manchuria. The Chinese also made the mistake of expecting assistance from foreign nations, particularly European Powers and Japan, which have been antagonistic to the Soviet. While powerful elements in Japan, Britain, France, Germany, America and elsewhere have long opposed the Soviet regime, they were not in a position to lend China any practical help. Also, a point not to be overlooked, is that imperialism makes strange bedfellows, meaning by this that while powerful elements abroad had sound cause for disliking the Soviet, they couldn't help, however, having the feeling that any gains made by the Soviet at China's expense might be reflected in similar gains on their own behalf. Foreign, so-called "imperialistic" interests in China, were therefore quick to take up the Soviet propaganda that "China had seized a railroad." All up and down the China coast it was common to hear foreigners express the hope that Russia would administer to China a "sound licking," which might have the effect of making China less "cocky" on such matters as abolition of exterritoriality, recovery of the concessions, shipping rights, and so on. One foreign official of our acquaintance expressed the hope that "Russia and China would get into a real war which would result in the complete defeat of the Chinese and at the same time would have the effect of bringing about political changes in Soviet Russia that would result in that country again joining the ranks of the imperialists."

In view of this generally unfavorable background, the Chinese have little to gain by getting into another squabble over "who caused the war or who was responsible for China's defeat." Also, it might be mentioned that there is an unfortunate tendency now in various parts of China (south of the Great Wall) to wash their hands of the whole thing on the grounds that "Manchuria caused the trouble—Let Manchuria get out of it as best she can!" There is little questioning the fact that the outcome of the Sino-Russian fight in North Manchuria has had the effect of making the so-called Manchurian Question more critical, not only from the standpoint of Chinese interests in the Three Eastern Provinces, but also from the general standpoint of peace in the Far East. Had China won out and definitely established her control of the Chinese Eastern Railway, it would have constituted a long step toward the solution of the North Manchurian problem and at the same time accelerated the solution of the Japanese problem in South Manchuria. Now, however, the situation is worse because the Russians are back in North Manchuria with increased prestige which is bound to aggravate Russo-Japanese relations and intrigue in that region despite any present tendencies on the part of Japan and Russia to compose their differences at China's expense through the well-known and oft used method of division of spoils. Chinese population and economic interests in Manchuria have become altogether too powerful to submit to Russian and Japanese colonization, hence the likelihood of the early development of a genuine "Balkan" situation in that area. Evidences of

this are provided in Red Russian intrigue against China with the Mongols in the Russian "sphere" and Japanese use of the Koreans for colonization purposes in the Japanese "sphere." Then on top of it all there is the Russian intrigue against the Japanese in Korea and the use of Koreans in the Far Eastern Red Army in eastern Siberia.

The Manchurian Question, due to the Soviet vicitory, has become a sort of "devil's own game" of international intrigue that is likely to have widespread ramifications and to provide many tests for Kellogg Pacts and other machinery designed to preserve the world's peace. The purpose of the Soviet Government in connection with the recent conflict in North Manchuria is indicated in the following paragraph which appeared in *International Press Correspondence*, the organ of the Third International, on December 6: "The Red army of the Far East took up the offensive and delivered the last decisive blow to the White Bands (Chinese soldiers). It pursued the invaders across the frontier, disarmed on a single day 8,000 soldiers, 300 officers, captured 10,000 rifles, numerous guns, aeroplanes and tanks. The military power of the Mukden Government collapsed under the blows of triumphant socialism. What followed was the rapid, complete humiliating capitulations. The victory of the Soviet power over the armed murder bands of world imperialism in the Far East is of tremendous significance. The Red Army has furnished proof that it is the incomparable, deadly sword of proletarian world revolution. The Red victory in the Far East is a defeat for world imperialism. It is a terrible defeat for Chinese counter-revolution. It is a disgraceful defeat for international Social Democracy. The victory of the Soviet Union in the Far East will give the Chinese workers' and peasants' revolution fresh impetus of tremendous power.... Our socialist fatherland has won a victory of world-historic magnitude! Long live the defense of our Socialist Fatherland! Long live the victory of proletarian revolution at home and abroad."

Of further interest in connection with the Soviet victory in North Manchuria and Soviet expectations regarding future developments, is a report of an address by M. M. Litvinoff of the Moscow Foreign Office, a copy of which also appeared in the organ of the Third International on December 20 last. Answering the question, "What results are likely to arise from the intervention of the Powers (action of the United States, Great Britain, France, etc., in respect to violation of the Kellogg Pact), Mr. Litvinoff replied as follows:

"In my opinion, no results at all. At the very worst, the originators of this intervention will be able to book to the credit of the cause of peace a certain delay or complication in the negotiations already begun and to increase the pressure exercised by Nanking on Mukden. But I am rather of opinion that Mukden, and possibly Nanking, will understand that we shall not allow ourselves to be dissuaded by any intervention from the standpoint we have occupied from the very beginning, and that a delay can merely enhance the disadvantages accruing for China. We believe that we are on the way to a definite settlement in regard to the Chinese Eastern Railway and also to the elimination of all possibility of a further artificial spread of enmity and distrust between the people of the Soviet Union and of China, who are anxious to live not only at peace but in relations of sincere friendship and mutual respect. Be that as it may, whether the immediate contact now re-established between Mukden and ourselves leads to a speedy settlement of the points at issue or whether the Powers hostile both to the Soviet Union and to China succeed temporarily in preventing this settlement, we are inspired with the conviction that, relying on the general sympathy our policy meets with among the workers and peasants of the Soviet Union, on the consciousness of our rights which are not even contested by our enemies, *and on the strength of our Far Eastern Army, which has already given so much proof of its steadfastness, unbounded devotion, and courage, we shall attain an acceptance of our equitable conditions and the restoration of the violated rights of our Workers' and Peasants' Republic.*"

If one would reduce the present Soviet program to simple terms, it is somewhat like this: Military and political pressure is being brought upon the Mukden Government with the object of forcing China back into diplomatic relations with the Soviet. The National Government may allege that the Chinese delegate, Tsai Yu-shen, exceeded his instructions when he signed the preliminary agreement at Habarovsk, (see issues of The Review for Jan. 11 and 18) but Nanking cannot sidestep the obvious fact that Moscow is now turning the screws and if Nanking refuses to participate in the conference in Moscow for a settlement of outstanding problems, then Moscow will go ahead and settle Manchurian issues on her own terms with Mukden. Litvinoff stated very definitely that the Soviet Government had refused to have anything to do with the National Government throughout the Manchuria crisis, Moscow's purpose being to split Manchuria off from political contact with Nanking. In this enterprise Moscow apparently has the full support of Japan which has a similar object in forcing Manchuria into separate negotiations. The National Government is therefore faced with the alternatives of either being forced into a conference in Moscow which certainly would result in the imposition of Moscow's will upon the Chinese representatives, or the prospect of seeing the Soviet Government bring increasing pressure upon Manchuria to the possible extent of forcing a definite split between Mukden and Nanking. That this situation is pregnant with most serious possibilities, goes without saying—hence the high necessity of serious study on the part of all patriotic Chinese both inside and outside the National Government!

LATEST C. E. R. DEVELOPMENTS

Although it was announced from both Nanking and Mukden that Mo Teh-hui, new Chinese president or Tupan of the C. E. R., had departed from Harbin for Nanking it still is not known definitely whether he will be able to visit Nanking in accordance with the Government's instructions. A telegram from *The Review*'s correspondent in Harbin on Jan. 18 stated that while Mr. Mo had been delayed on account of a serious strike on the part of Chinese employees of the road, that it was expected he would deshortly for Mukden for a conference, following which he probably would proceed to Nanking. Nanking's reasons for desiring Mr. Mo's presence is due to the necessity of getting China's case in shape for the forthcoming Moscow

conference. It was stated that Mr. Mo had collected all necessary data pertaining to the Chinese Eastern Railway for the purpose of bringing it to Nanking for the information of the Government.

Aside from the matter of Mo Teh-hui's visit to Nanking, it still is questionable whether Nanking will participate formally in the Moscow conference. Dispatches from Harbin on Jan. 20 stated that while Moscow had consented to a postponement of the conference to February 25, that the Soviet Government had issued a warning that if China failed to send delegates that the Soviet would adopt "strong measures". Japanese press reports in Manchuria also stated that the Soviet Government desired to negotiate only with Mukden and not Nanking, the real Soviet purpose being to split Mukden off from diplomatic and political contact with the National Government. Another item of special interest in connection with the situation on the C. E. R. was a report that the Soviet Government was sending Emshanoff, the former manager of the C. E. R., back to Harbin with instructions that he should be appointed vice-president of the Board of Directors.

The general strike of Chinese employes in the C. E. R. workshops in Harbin has not been settled according to latest reports although a *Kuo Min* report from Harbin on Jan. 21 stated that the Soviet Manager, Mr. Rudy, had submitted a compromise proposal to the Board of Directors for a settlement of the trouble, the proposal recommending the reinstatement of 73 of the dismissed men who were employed before the break in Sino-Soviet relations last summer; that of the other 150 Chinese dismissed, all bachelors were to receive one week's pay and married men one month's pay; that all wages in arrears should be paid. The trouble over the Chinese employees resulted from the arbitrary action of the Soviet manager in dismissing some 400 Chinese employees who had been taken on after the disruption of relations between China and the Soviet last July. As a result of this dismissal, all Chinese employed in the Harbin workshops went on strike and a further strike of all Chinese employees of the road was threatened. The object of the Soviet manager apparently was to fill the vacated places with Soviet employees.

The "Disloyal" Soviet Citizens

Dispatches from Harbin also stated that rumors were in circulation that all Soviet citizens employed on the road, who had continued working after the break in relations, were likely to be dropped and their places also filled by "loyal" Soviet citizens who had ceased working for the Chinese Board of directors and many of whom had been interned by the Chinese authorities in the Sungari concentration camp at Harbin. In further reference to the strike of Chinese employes, a *Kuo Wen* report from Harbin on Jan. 21 stated that 60 Chinese employees of the engine workshop had called on the Soviet officials and demanded that the discharged Chinese workers be reinstated before Chinese New Year.

A report from *The Review's* correspondent at Harbin on Jan. 17 stated that the strike of Chinese employees of the C.E.R. had caused much excitement in Harbin due to the fact that workers marched in a body to the railway administration building where they announced that a union had been formed and demanded the reinstatement of those who had been dismissed. The corridors of the administration building were crowded while the Chinese newspapers in Harbin published the laborers' demands and at the same time called upon all Chinese employees of the road to join in the strike. Circulars were distributed about the city denouncing the high-handed and "proud" actions of the new Soviet manager, while in the Chinese, or Foochiation section, of Harbin posters were put up showing a Russian soldier stabbing a Chinese laborer while two Chinese figures, supposedly representing Tsai Yu-shan and one of the Chinese directors, were stuffing large sums of money in their pockets.

Soviet "Grabbing" Lost Properties

Another action of the Soviet management which served to stir up the Chinese, civilians as well as officials, in North Manchuria was the "taking-back" by the railway of the telegraph department, Central Library and Meteorological Department, all of which had been taken over by the Chinese educational authorities in Harbin a considerable time before the break in relations between the Chinese and Soviet officials. Another significant action of the Russian manager was the appointment of a Russian manager for the Steamship Department of the C. E. R. which had been taken over by the Chinese authorities more than two years ago. Although there was no official statement by the Soviet officials of the C. E. R., the action of Mr. Rudy in appointing a manager for the steamship department indicated that the Soviet intended to resume control of the shipping which operates on the Sungari, Amur and Ussuri rivers and chiefly is used for transporting freight to the railway at Harbin. Since the Chinese took over the C. E. R. steamship department the boats had been operated under charter by the Northeastern Steam Navigation Company, a Chinese company.

While railway traffic has been restored between Harbin and Manchouli and advertisements have been inserted in the newspapers announcing the resumption of through traffic between Harbin and Moscow for mail and passengers, considerable mystery still surrounds the situation in the Barga District. One report from Harbin stated that rumors were in circulation to the effect that the Mongolian Governor or "Amban" of Barga had lodged a strong protest against the further stationing of Chinese troops in the Barga District. The Amban was said to have notified the Chinese authorities that not more than 200 Chinese railway guards could be stationed in Hailar, the capital of Barga, and that Chinese troops stationed at other towns along the railway in this area must be "numerically insignificant." Further he declared that no Chinese troops could be stationed in Barga at points off the railway. He maintained that since the Chinese had evacuated the area at the time of the Soviet attack and had left him absolutely unprotected, and that when serious trouble developed at Hailar, he and his people could not depend upon the Chinese forces, hence he could no longer look upon the Chinese either as protectors or friends.

A dispatch from Harbin by the Japanese *Rengo* service on Jan. 15 stated that a delicate situation had been created in the Barga district due to the revival of the Mongolian "independence" movement. The *Rengo* report stated that on Monday, Jan. 13, Mongolian officials met the Chinese representatives at Hailar and submitted a series of demands, the most important being that Chinese jurisdiction in future be confined strictly to the vicinity of the C. E. R. and that all internal affairs in the district be left in the hands of the Mongols. It was stated that while the Barga Mongolians only had a military force of some 1,500 troops, that they were well munitioned and trained and that they claimed to have the support of larger bodies of troops from Outer Mongolia, now under the control of Soviet Russia.

The International Train

The so-called second "International train" which transported members of the Harbin Consular Body, including George Hanson, American Consul, Leonard Lilliestrom, Vice-Consul, and representatives of the British, Japanese and Italian Consulates, from Harbin to Manchouli, returned to Harbin on Jan. 20. Members of the party reported that bodies of Chinese troops were gradually being pushed out along the western end of the C. E. R. They stated that much damage had been done to the various towns by disorganized Chinese troops which had retreated in the face of the Russian military advance and the Soviet air-bombing of the various towns. The damage in Hailar alone was estimated at $15,000,000. In reference to the Barga Mongols they stated that representatives of the Mongols were negotiating with Gen. Wan Fu-lin, head of the Heilungkiang provincial government at Tsitsihar.

Chinese Army for Manchouli?

Reports circulated by the *Kuo Min* and *Kuo Wen* Chinese services stated that the Mukden authorities had appointed Gen. Chen Tse-yuan, commander of Third Cavalry Brigade as garrison commander of the Harbin-Manchouli section of the C. E. R. and concurrently garrison commander at Manchouli and Hailar. In addition to this force it also was stated that an additional cavalry battalion and infantry battalion of the Heilungkiang provincial forces would be placed under Gen. Chen for the effective garrisoning of this area. Another Chinese report from Peiping on Jan. 20 stated that since the Manchurian forces had lost so many troops as a result of the Sino-Russian trouble, that the military authorities of the Three Eastern Provinces had opened a recruiting office in Tientsin with the object of raising a new army. The report stated that the number of troops to be recruited was "unlimited." A *Reuter* report from Harbin on Jan. 20 stated that some 8,000 Chinese troops that had been taken prisoners by the Soviet forces at the time of the occupation

of Manchouli and Chalainer, had been released at Manchouli. The report stated that these soldiers were "stuffed full of Communist propaganda," The same *Reuter* report stated that a "pitiable spectacle" was presented by the first batch of released Chinese prisoners from Russia, numbering about 300 who arrived at Harbin on Jan. 20 from Pogranichtnya, where they had been released by the Soviet authorities. The report stated the men wore threadbare clothing and presented a haggard appearance. The Chinese Chamber of Commerce in Harbin had sent supplies of food and clothing to the men while a report from Nanking stated that the Ministry of Foreign Affairs had remitted the equivalent of 6,000 gold roubles to Mukden to be used in relief measures. This money was said to have been raised by Madame Chiang Kai-shek and the wives of other National officials at the Capital. Dr. George Stobbe, German Consul at Harbin, who had charge of Soviet interests following the break last summer, departed for Peiping in order to make a personal report to the German Legation regarding the present situation in Harbin. It was stated that shortly following his return to Harbin he planned to return to Berlin on a four months' home leave.

Mysterious Habarovsk Compact

Further interest in the controversy regarding the scope of the preliminary agreement which was signed at Habarovsk by Tsai Yu-shen, the Chinese chief delegate, was aroused on Jan. 17 when the *Central Daily News*, Kuomintang organ in Nanking, published an alleged draft of the preliminary agreement which Mr. Tsai had signed on behalf of the Chinese Government. In view of other reports which have been published regarding recent action of the Soviet management of the C. E. R. considerable doubt has been cast on Mr. Tsai's report, it being alleged that a secret agreement much broader in scope was signed by Mr. Tsai which neither Mukden nor Nanking have yet made public. The draft which Mr. Tsai reported to Nanking contained the following provisions:

(1) Conditions on the Chinese Eastern Railway shall be restored to the position obtained before the dispute between China and Russia;

(2) Chinese prisoners held by Russia and Russian prisoners held by China shall be exchanged;

(3) The sovereign rights of both parties shall be respected;

(4) The Chinese Consulates in Russia and the Russian Consulates in China shall be re-opened;

(5) Russian business enterprises in China and Chinese business enterprises in Russia shall be re-sumed;

(6) All orders issued by the Chinese Eastern Railway authorities up to last July shall be examined by the new board of directors;

(7) Formal negotiations between the two countries shall be initiated in Moscow January 25;

(8) There shall be no prejudice in the employment of Chinese or Russians in the C. E. R., while all White Russians in the service of the railway shall be dismissed and their places taken by Chinese;

(9) The troops of both sides shall be immediately withdrawn; and

(10) The Agreement shall become effective on the day of signature.

Mr. Tsai, it is reported, also stated in this interview that the preliminary agreement included only these 10 articles. The publication of any other text at variance with this, he declared, was unfounded.

ANOTHER RED ULTIMATUM

While lacking confirmation from foreign sources in Harbin, the Chinese newspapers in Shanghai on Jan. 22 published various telegrams from Harbin, Mukden and Peiping indicating that a fresh crisis has developed as a result of the Soviet Government's presentation of what appears to be a new ultimatum demanding that the Chinese immediately carry out the terms of the Habarovsk preliminary agreement. A long telegram circulated by the Chinese *Kuo Wen* service stated that the Soviet Government had presented to Mukden four fresh demands: (1) That the Habarovsk agreement was duly signed by both parties concerned and neither party is permitted to make any changes due to possible interference of a third party; (2) that the formal conference at Moscow must be held not later than February 15 and neither party is permitted to change the location or attempt another postponement; (3) that in accordance with the agreement Soviet consulates along the C. E. R. must be restored to their original status and the C. E. R. reorganized in due course and in the event the officials of the Three Eastern Provinces are unable or unwilling to carry out these clauses that the Soviet army will not be withdrawn from Manchouli; (4) that the Mukden Government immediately give a verbal reply to the foregoing.

The Ministry of Foreign Affairs at Nanking has not issued any statement regarding the foregoing, but the "People's Anti-Russian Association" at Nanking has filed a petition with the Kuomintang recommending that the Habarovsk agreement be repudiated and that Tsai Yu-shan, the Chinese chief delegate be punished for affixing his signature to the document. Further reports in the Chinese newspapers alleged that the Russians have halted the disbandment of their Far Eastern Red Army and that war materials including bombing planes, tanks and artillery are again being sent to the Chinese border.

The *Shun Pao* published a report on Jan. 22 stating that Mo Teh-hui the new Chinese president of the C. E. R. had wired to Nanking refusing to serve as China's delegate to the Moscow conference and recommending the appointment of another delegate. In addition to the foregoing disturbing reports, the official *Kuo Min* news agency circulated a dispatch on the evening of Jan. 22 stating that General Li Pei-chi, head of the Suiyuan provincial government had wired to Nanking recommending that the National Government refuse to participate in the Moscow conference unless the Soviet Government is willing to open up the whole question of Soviet activities in Outer Mongolia. Gen. Li Pei-chi's telegram stated that Soviet activities in Outer Mongolia, the establishment of the Soviet system and imposition of Soviet gold roubles as currency had resulted in tremendous losses to Chinese merchants and a complete stoppage of trade between Chinese and Mongols.

The settlement of the trouble over the C. E. R. has obviouslp been handicapped by the alleged overbearing attitude of the new Soviet management as indicated in the wholesale dismissal of Chinese employees and the attempt to restore to the railway the various organs which had been taken over by the Chinese authorities in recent years. Another element aggravating the situation has been the return to Harbin of several thousand Chinese who had been held prisoners by the Russians in Siberian prison camps, the Chinese newspapers reporting that they were in a pitiable condition, many having their hands and feet so badly frozen as to necessitate amputation. It was stated that the Chinese refugees still were wearing the summer clothing which they were at the time of their arrest last summer.

A later report by the *Kuo Wen* service from Harbin on Jan. 22 stated that the Soviet Government was weakening in its attitude and now was agreeable to the formal Sino-Soviet parley being transferred from Moscow to Habarovsk or Vladivostok. It also was stated that Mo Teh-hui would depart from Mukden for Nanking on Jan. 24.

STILL MORE CHINESE DROPPED

A further dispatch from *The Review's* correspondent in Harbin on Jan. 23 stated that thirty-nine Chinese employees of the C. E. R. Commercial Department were dismissed by the Soviet Manager on Jan. 21. The result of the arbitrary action of the Soviet authorities has been to create serious anxiety and unrest among all employees of the railway. The Russian newspapers in Harbin continue to publish full details of the experiences of Russian emigrees in the western section of Heilungkiang province which was over-run by the Red troops. The *Russkoe Slovo* printed a story about an ex-Russian officer who had just arrived in Harbin from Manchouli who stated that he had concealed himself for forty-four days in a cellar in order to escape from the Reds. The fate of the large number of Russian emigrees who were arrested and taken to Siberia is still unknown. Those arriving in Harbin from Manchouli state that the Red troops, while in occupation of Manchouli, preserved good order and accorded good treatment to the few remaining Chinese and Russian inhabitants as a propaganda measures, but that the Soviet secret service or "Cheka" was constantly on the job. It was stated that the town was still full of "Cheka" agents even after the departure of the Red troops. A further report stated that Red cavalry had again appeared in the Dauria region.

How the Kellogg Pact Was Invoked in Soviet-Chinese Dispute

BY HAROLD S. QUIGLEY

(Current History for January)

THE first test of the Kellogg pact for the preservation of peace has been provided by the dispute which arose between China and the Soviet Union over the Chinese Eastern Railway and by the incursion into Manchuria of Soviet armed forces. On Dec. 2 the United States, in the name of the Kellogg pact, made an appeal to the Soviet and Chinese Governments to avoid warlike measures in Manchuria and adjust the dispute over the Chinese Eastern Railway by pacific means. The American note to the Soviet Government was transmitted through the French Foreign Office. The following was the text of the announcement made by Secretary of State Stimson:

We have been engaged in discussions with the governments of several of the other powers signatory to the Pact of Paris in regard to the situation in Manchuria. During the past few days organized Russian forces have been in conflict with organized Chinese forces near Dalainor in Northern Manchuria. It is credibly reported that many casualties occurred and that thousands of the inhabitants of the neighboring towns have been driven from their homes.

Although the causes of the conflict are in dispute and the accounts are somewhat contradictory, it is clear that serious encounters between military forces of China and Russia have occurred. It also is clear that during the months since this controversy began no effective steps have been taken by the Chinese and Russian Governments looking toward an arbitration of the dispute or its settlement through neutral conciliation or other pacific means.

The efficacy of the Pact of Paris depends upon the sincerity of the governments which are party to it. Its sole sanction lies in the power of public opinion of the countries, constituting substantially the entire civilized world, whose governments have joined in the covenant. If the recent events in Manchuria are allowed to pass without notice or protest by any of these governments the intelligent strength of the public opinion of the world in support of peace cannot but be impaired.

We have found in our discussions referred to above community of view with regard to the fundamental principles. There has been in these discussions no suggestion of intervention of any kind. Discussions have been directed to discovering the best means of expressing the opinion of each of the nations by way of remonstrating against the use of force by either side in this controversy.

Statement of U. S. Government

The Government of the United States has sent to China and Russia the following statement:

"The government and people of the United States have observed with apprehensive concern the course of events in the relations between China and Russia in the phase which has developed in reference to the situation in Northern Manchuria since July 10.

"On July 18 this government took steps, through conversations between the Secretary of State and the diplomatic representatives at Washington of five powers, to see that the attention of the Chinese and Russian Governments be called to the provisions of the treaty for the renunciation of war, to which both China and Russia were signatories.

"Both the Russian and the Chinese Government then made formal and public assurances that neither would resort to war unless attacked. Since that time that treaty has been ratified by no less than fifty-five powers, including China and Russia.

"The American Government desires again to call attention to the provisions of the treaty for the renunciation of war, particularly to Article II, which reads:

"'The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means,' and the American Government takes occasion to express its earnest hope that China and Russia will refrain or desist from measures of hostility and will find it possible in the near future to come to an agreement between themselves upon a method for resolving by peaceful means the issues over which they are at present in controversy.

"The American Government feels that the respect with which China and Russia will hereafter be held in the good opinion of the world will necessarily in great measure depend upon the way in which they carry out these most sacred promises."

Great Britain and France promptly informed the State Department that they would act with the United States, while the other nations concerned, with the exception of Japan and Germany, also supported the American peace work. An interesting feature of these negotiations was that the Kellogg pact was being used as an instrument of peace rather than the League of Nations. The reason was indicated in the statement made by Arthur Henderson, British Foreign Secretary, in the House of Commons on Dec. 2. After saying that, so far as he knew, neither the Chinese nor the Soviet Government had informed any other government that they considered themselves at war, the Foreign Secretary stated that he had pointed out to the Chinese Government that the difficulty of bringing the dispute before the League was due to the Soviet Union not being a member of the League. Japan, in an official statement on Dec. 3, said it did not intend to issue a declaration warning China and Russia of their obligations under the Kellogg pact or otherwise associate itself with the American proposal. Germany, though sympathetic to the proposal, declined to intervene on the ground of its having undertaken the joint protectorate of the interests of China and the Soviet Union when relations were broken off between those two nations, and further because direct negotiations were being initiated by them. Then on Dec. 3 came two important developments the announcement that the Chinese Eastern Railway dispute had been settled and the reply of the Soviet Government to the American peace move characterizing it as an unfriendly act. The memorandum answering the American and British notes was as follows:

The Soviet Reply

The Union of Socialist Soviet Republics from the first day of its existence has pursued a policy of peace, and unlike other powers has never resorted to military action except as a necessary step for defense due to direct attack on the Union or armed intervention in its internal affairs. The Soviet Union has consistently pursued this policy and intends to pursue it independently of the Paris pact for abolition of war.

During recent years the Nanking Government, evading by its usual methods settlement of the conflict by diplomatic ways, has carried on toward the Soviet Union a provocative policy of violation of the customary rules and treaties, notwithstanding the fact that these treaties were not imposed on China by force but were concluded on the basis of full equality and free will and that the Soviet Union voluntarily surrendered in these treaties extraterritorial consular jurisdiction and other privileges which the Chinese Government until now has been vainly trying to abolish in regard to other powers.

The climax of this policy was the seizure of the Chinese Eastern Railway without any warning or preliminary presentation of any claims, in violation of existing agreements regarding the joint administration of the railway.

The Soviet Government believes that if action such as that of the Nanking Government were taken toward the United States, Great Britain or France it would be considered by their governments sufficient cause for putting into force reservations they made when signing the pact.

The Soviet Government declared when signing that it did not recognize the reservations and did not intend to use them.

The Nanking Government not only resorted to illegal seizure of the Chinese Eastern Railway but mobilized along the Manchurian Railway an army, various sections of which, together with counter-revolutionary Russian bands included therein, made systematic attacks on the U.S.S.R., crossing the frontier and firing on units of the Red Army and frontier villages, robbing and violating a peaceful population, causing thereby losses of lives and property.

Despite frequent warnings through the German Government, these attacks did not cease but rather increased, and compelled the Soviet Far Eastern army, in the interests of defense, protection of the frontier and the peaceful population to take counter measures. Thus the actions of the Red Army had due considerations of self-defense and were in no wise violations of any obligations of the Paris pact.

That cannot be said of armed forces in Chinese territory and Chinese ports of those powers who have applied today to the Soviet Union with identical declarations.

Negotiations Already Begun

The Soviet Government states that the government of the United States has addressed its declaration at a moment when the Soviet and Mukden Governments already had agreed to several conditions and were proceeding with direct negotiations which would make possible prompt settlement of the conflict between the Soviet Union and China.

In view of this fact, the above declaration cannot but be considered unjustifiable pressure on the negotiations and cannot therefore be taken as a friendly act.

The Soviet Government states further that the Paris pact does not give any single State or group of States the function

of protector of this pact. The Soviet, at any rate, never expressed consent that any States themselves or by mutual consent should take upon themselves such a right.

The Soviet Government declares that the Soviet-Manchurian conflict can be settled only by direct negotiations between the Soviet Union and China on the basis of conditions known to China and already accepted by the Mukden Government, and that it cannot admit interference of any other party in these negotiations or the conflict.

In conclusion, the Soviet Government cannot forbear expressing amazement that the government of the United States, which by its own will has no official relations with the Soviet, deems it possible to apply to it with advice and counsel.

The Chinese reply, dated Dec. 4, insisted that military action had been taken purely for self-protection and declared that China was ready to work for peace.

The American Secretary of State replied to the Soviet memorandum by reading the following public statement to the newspaper correspondents in Washington on Dec. 4:

I have seen the text of the Russian memorandum as reported in the press.

Stimson Denies Unfriendliness

Between co-signatories of the Pact of Paris it can never be rightly thought unfriendly that one nation calls to the attention of another its obligations or the dangers to peace which from time to time arise.

As far back as The Hague convention of 1899, the nations of the world agreed that strangers to a dispute, on their own initiative, could make suggestions looking for peace between the States which were at variance and that the exercise of that right is not to be regarded by the parties in conflict as an unfriendly act. This was reaffirmed again in 1907 and has been the recognized rule ever since.

The message of the American Government was sent not from unfriendly motives, but because this government regards the Pact of Paris as a covenant which has profoundly modified the attitude of the world toward peace and because this government intends to shape its own policy accordingly.

In the language of the joint statement issued by the President of the United States and the Prime Minister of Great Britain on Oct. 10 last, "both our governments resolve to accept the peace pact not only as a declaration of good intentions but as a positive obligation to direct national policy in accordance with its pledge."

The present declaration of the authorities of Russia that they are now proceeding with direct negotiations which will make possible settlement of the conflict is not the least significant evidence to show that the public opinion of the world is a live factor which can be promptly mobilized and which has become a factor of prime importance in the solution of the problems and controversies which may arise between nations.

To this Litvinov, Acting Commissar of Foreign Affairs, made a rejoinder in the course of a long speech to the entire diplomatic corps, foreign press correspondents and the Central Executive Committee of the Communist party in Moscow on Dec. 4. Without exactly charging Secretary Stimson with deliberately waiting until the Moscow-Mukden negotiations were in progress before taking a step which "a genuine desire for peace might have prompted earlier," Litvinov suggested a desire on the part of certain Western powers to interfere in a crisis which "it is now hoped is on a fair road to settlement." Proceeding, Litvinov said it ill became foreigners who had oppressed China in the past, whose armed forces still were encamped on Chinese soil and whose gunboats were anchored in Chinese ports to cast stones at the Soviet, which had abandoned its extraterritorial rights and even now did not occupy a foot of Chinese territory, despite extreme provocation.

Agreement of Dec. 2

The text of the agreement, as reported by the *Tass* Agency and transmitted from Peking to the State Department, was as follows:

The protocol signed yesterday (Dec. 3) in Nikolsk-Ussurissk by Messrs. Tsai and Simanovsky, the Mukden and Soviet representatives respectively, runs as follows:

"On behalf of the Mukden Government, the diplomatic commissar, Mr. Tsai Yun-sheng, declares that the chairman of the board of directors of the Chinese Eastern Railway, Mr. Lu Jung-huan, has been dismissed from the post of chairman of the board.

"On behalf of the Government of the Union of Socialist Soviet Republics, the agent of the Foreign Commissariat at Khabarovsk, Mr. Simanovsky, declares that when the chairman of the board of directors of the Chinese Eastern Railway, Mr. Lu Jung-huan, will be dismissed from the post, the Soviet Government, in accordance with the declaration of the Acting Commissar of Foreign Affairs, Mr. Litvinov, handed to the German Ambassador at Moscow on Aug. 29, will be ready to recommend new candidates for the post of manager and assistant managers of the Chinese Eastern Railway instead of Messrs. Emshanov and Eismont. But in the case the Soviet Government reserves the right to appoint Messrs. Emshanov and Eismont to other posts on the Chinese Eastern Railway. Whereupon Mr. Tsai Yun-sheng in personal conversation with Mr. Simanovsky expressed his consent.

"The Deputy Commissar, Mr. Tsai Yun-sheng of the Mukden Government, declared that the latter, desiring by all means to contribute toward the settlement of the conflict between China and the Union of Socialist Soviet Republics, and to remove all causes for further complications, will strictly conform with the Mukden and Peking agreement of 1924, in whole as well as in each part.

"The agent of the Foreign Commissariat at Khabarovsk, Mr. Simanovsky, on behalf of the Soviet Government accepted with satisfaction the declaration of Commissar Tsai Yun-sheng that the Mukden Government will fulfill the agreements of 1924, and declared on his part that the Government of the Union of Socialist Soviet Republics, which has always stood on the basis of the agreement existing between China, and the Union of Socialist Soviet Republics, will of course strictly fulfill them in whole, as well as in each part. The above declarations in the first and second clauses of this protocol are considered as accepted by both parties."

Hopeful Outlook

Secretary Stimson on Dec. 5 announced that the question of the Chinese Eastern Railway was ended as far as he was concerned, and that he did not propose to reply to the Russian memorandum which denounced the United States for its action. The same day the political council at Mukden confirmed the settlement of the railway dispute. Thus, at the present writing, the outlook is more hopeful.

Before events took the turn already described there had been several developments which should be recorded. Conversations in the nature of preliminary negotiations concerning the Chinese Eastern Railway were inaugurated in the latter part of November between representatives of the Soviet Union and Manchuria. Similar parleys were conducted at Manchuli, on the western border of Manchuria, in early August, whence they were transferred to Berlin and taken over for China by the Nanking Government. In this magazine last month note was taken of that government's statement of intention to let negotiations rest for the time being. Thus the circle was complete and matters again were back in Manchurian hands. An unnecessary amount of effort was devoted by Dr. C. T. Wang, Chinese Foreign Minister, to denial of the latter fact, since no one who follows Chinese policics mistakes the true relationship between Nanking and Mukden—a mutual tolerance for mutual advantage. In the affair of the Chinese Eastern Railway their interests and aims are essentially the same—to reduce the period of Russian management if possible and to increase the Chinese share in control of the line. While obviously it would be a triumph for Nanking to be able to disregard the views of the Manchurian junta, that is quite impossible. It is enough for the moment to be on terms of cooperation.

Fighting On the Manchurian Front

Ever since the expulsion of Soviet officials from the Chinese Eastern Railway last July there had been fighting all along the Manchurian border. Periodically, about once a month, the fighting increased in intensity and was marked by brief invasions of Russian troops and bombing planes into Chinese territory, invasions which became progressively more extensive and more indicative of a determination to render effective the Soviet demands for reinstatement of Manager Emshanov, release of Russian prisoners and the summoning of a conference to regulate all differences over the railway. The culmination of these attacks occurred between Nov. 18 and 26 and involved larger forces than any previously employed. The Soviet attacks were made at both ends of the Chinese Eastern Railway, but developed greater force at the western end, centering in the area, some 116 miles long, between Manchuli and Hailar. Planes bombed a number of towns, also trains, inflicting casualties. Although the Chinese troops at Manchuli and Dalainor sustained the first attacks with courage they were compelled by Soviet superiority in all arms—infantry, artillery and planes—to retreat, and their retreat turned into a rout. Mongol soldiers composed part of the Soviet forces. Manchurian military headquarters were reported as having moved from Hailar to Buchatu, 150 miles to the southeast, placing the Khingan Mountains between them and the enemy.

Although the movement in such force was explained in Moscow newspapers as simply a larger scale punitive expedition, it was not so regarded at Harbin or Mukden. In those cities reports were received that enemy troops were occupying Chinese towns and surrounding country. It was feared that the occupied territory would be held indefinitely, pending settlement of the railway issue. Refugees numbering several hundred reached Harbin from Hailar, 465 miles to the west. Buchatu, 124 miles east of Hailar, became the western terminus of the Chinese Eastern Railway. Japanese consuls in Manchuria

(*Continued on page 289*)

What Does The Extrality Mandate Mean?

China Critic, Jan. 9.

Various interpretations are placed by the Powers on the mandate of the Nanking Government that extraterritoriality was to be abolished on January 1, 1930. The Department of State of the United States Government seems to regard the announcement as a mere statement of policy on the part of Nanking, and is reported to have declared that the American Court for China will continue to function inspite of everything else. Colonel Stimson seems to feel that the relinquishment of extraterritoriality shall proceed simultaneously with the improvement of Chinese codes. It is indicated that the United States Government may be ready to give up extraterritoriality in China when the present treaty expires in 1934. In the meantime negotiations are still going on between the Chinese Minister in Washington and the State Department with a view to the prompt termination of this antiquated system of extraterritoriality.

The mandate has been regarded by the British Government as setting January 1 as the date on which shall begin the gradual relinquishment of extraterritoriality in principle. The Foreign Secretary, Mr. Arthur Henderson is reported to have said:

The Chinese Government will realise that an attack on the legal rights of British subjects or the interests they have built up with benefit to China as well as themselves, in the course of nearly 100 years, on the faith of solemn treaty stipulations, would confront His Majesty's Government with a serious responsibility, such an attack would gravely prejudice the prospect of negotiating a friendly solution.

The British Government is still of the belief, if we may judge by press reports, that the intricate readjustments involved in a gradual, progressive solution of the problem can only be effected as the result of negotiations conducted in a friendly and unprejudiced manner. Mr. Henderson has shown rare diplomacy in trying to evade the grave issue by agreeing to the date of January 1 as the date from which the gradual abolition of extraterritoriality should be regarded as having commenced in principle. Once more we have been confronted with the familiar expression of "in principle," and cannot help wondering when that principle will ever become a fact.

France Remains Reticent

The French Government has been more or less reticent on the subject, though its minister to China, Count D. de Martel, is reported to have said that a note was delivered to China on January 2 protesting against the mandate and announcing that France could not accept the unilateral denunciation of her extraterritorial rights in China. What France is ready to do is seldom discussed even in official dispatches, though negotiations seem to be proceeding between the French Government and the Chinese Minister in Paris.

Thus a week has passed since the publication of the mandate without a definite announcement from Nanking as to the plans of enforcing its mandate or from the Powers as to what steps they will eventually take in order to reconcile the demands of China and the necessity of protecting their own interests. The question on the lip of every intelligent Chinese or foreigner is: What does this mandate mean? For a satisfactory answer, we may refer to certain statements which have been made by Dr. C. T. Wang, Minister for Foreign Affairs. The one issued on December 30 reads in part as follows;

"Extraterritoriality is no ordinary diplomatic problem. It touches the life of the Chinese prople in so many intimate ways that it must be considered by the Chinese Government as being likewise a domestic question of immediate moment. It is for this reason that the Chinese Government is compelled to declare that the year 1930 is a decisive time and the actual process of re-establishing Chinese sovereignty by the abolition of extraterritoriality begins on January 1. With that in view it will undertake measures designed to release the sovereign rights of China from the trammels of extraterritoriality and has accordingly ordered the Executive Yuan and Judical Yuan to instruct the various ministries concerned to prepare a plan for that purpose."

At a luncheon given to the Chinese and foreign press correspondents by Dr. Wang on January 3, he was responsible for a statement which may be quoted in part as follows:

"What will make 1929 most memorable is the graceful gesture of the Powers concerned in agreeing to collaborate with China in the re-establishment of her jurisdictional sovereignty over foreign nationals in her territory. Such far-reaching agreement will be a step towards removing the cause of constant conflict and, at the same time, promoting the most cordial relations between the Chinese and foreigners in their midst. It is greatly to be hoped that the detailed procedure connoted by such gesture will be happily consummated during the next few months, so that China's jurisdictional sovereignty will be completely restored in the immediate future."

From these two statements it appears that the National Government does not intend to abolish extraterritoriality by one stroke of the pen. As pointed out in the last issue of *The China Critic*, the problem of extraterritoriality cannot be solved by a single mandate. That view seems to be sustained by the statements of Dr. Wang. In the first he has designated 1930 as the "decisive time" when the "process" of re-establishing China's jurisdictional sovereignty was to begin. In the second statement he has expressed the hope that the detailed procedure to carry out such a process will be "consummated during the next few months." The two statements, coupled with the order of the State Council to have various ministries prepare a plan for the enforcement of its mandate, make one feel that Nanking does not intend to abolish extraterritoriality by a single gesture. All details have to be worked out, if we infer from Dr. Wang's statement, by consultation with the various Powers concerned. One need entertain no great fear that the National Government will adopt drastic measures to enforce a decision which is drastic enough in itself. Nor is drastic action necessary in carrying out the mandate which in principle has already been agreed to by the Powers. The intricate nature of the problem requires deliberation and any premature action will merely cause complications which will result in a great waste of time. As we suggested in our last issue, the National Government and the Powers should and must co-operate to find a satisfactory procedure for the abolition of extraterritoriality. They should leave out all academic issues and desist from discussing this or that right on paper. We have had enough negotiations. Now let us have some decision. The existence of extraterritoriality, as well pointed out by Mr. Stephen G. Porter, Chairman of the House of Representatives Foreign Affairs Committee of America, would "obviously seriously impair the sovereignty of the nation and weaken the confidence and respect of the citizens of that nation for their own government." For this reason the continuance of the extraterritorial system would be unthinkable to China at the time of her national reconstruction. It must be abolished, and although we do not advocate drastic action, prompt action is imperative. The Powers must realise this and go a step further than merely agree in principle and render lip service.

Thirteen Nations Owe America G.$13,000,000,000 War Debts

Associated Press Dispatch in the Christian Science Monitor)

President Hoover laid aside on Dec. 19 a task he began working upon seven years ago as a member of the World War Foreign Debt Funding Commission.

In affixing his signature to the French debt settlement the Chief Executive had the satisfaction of bestowing the formal approval of the country upon the last settlement of those worked out by the commission for funding the indebtedness of 13 nations. Under them the United States will receive $13,000,000,000.

That of France included not only funds lent that country during the World War, but many millions of dollars of surplus war materials were sold to France after the conflict ended. The total to be paid by that country over a 62-year period is $6,847,647,104, of which $2,822,674,104 will be paid as interest.

Just before President Hoover came into office, arrangements were made to compromise the Greek war debt, funding of which had not been completed when the commission expired in 1927.

Four other countries have not completed settlements. Russia disavowed the debt contracted by the Tsarist regime. A moratorium until 1943 was granted to Austria. A Liberian debt of $30,000 is still on the Treasury books, and the Armenian Government which owed this country is no longer in existence.

The Debts Funded by the Commission

Country	Original Principal (net)	Funded interest	Funded debt
Belgium.....	$ 377,029,570.06	$ 40,750,429.94	$ 417,780,000
Czechoslovakia.	91,879,671.03	3,120,328.97	115,000,000
Esthonia.....	12,066,222.15	1,763,777.85	13,830,000
Finland	8,281,926.17	718,073.83	9,000,000
France.....	3,340,516,043.72	684,483,956.28	4,025,000,000
Great Britain...	4,074,818,358.44	525,181,641.56	4,600,000,000
Hungary	1,685,835.61	253,164.39	1,939,000
Italy	1,647,869,197.96	394,130,802.04	2,042,000,000
Latvia	5,132,287.14	642,712.86	5,775,000
Lithuania	4,981,628.03	1,048,371.97	6,030,000
Poland.....	159,666,972.39	18,893,027.61	178,560,000
Rumania.....	36,128,494.94	8,461,505.06	44,590,000
Jugoslavia	51,037,886.39	11,812,113.61	62,850,000
Total.....	9,811,094,094.03	1,711,529,905.97	11,522,154,000

All of the foregoing figures are in U. S. gold dollars.

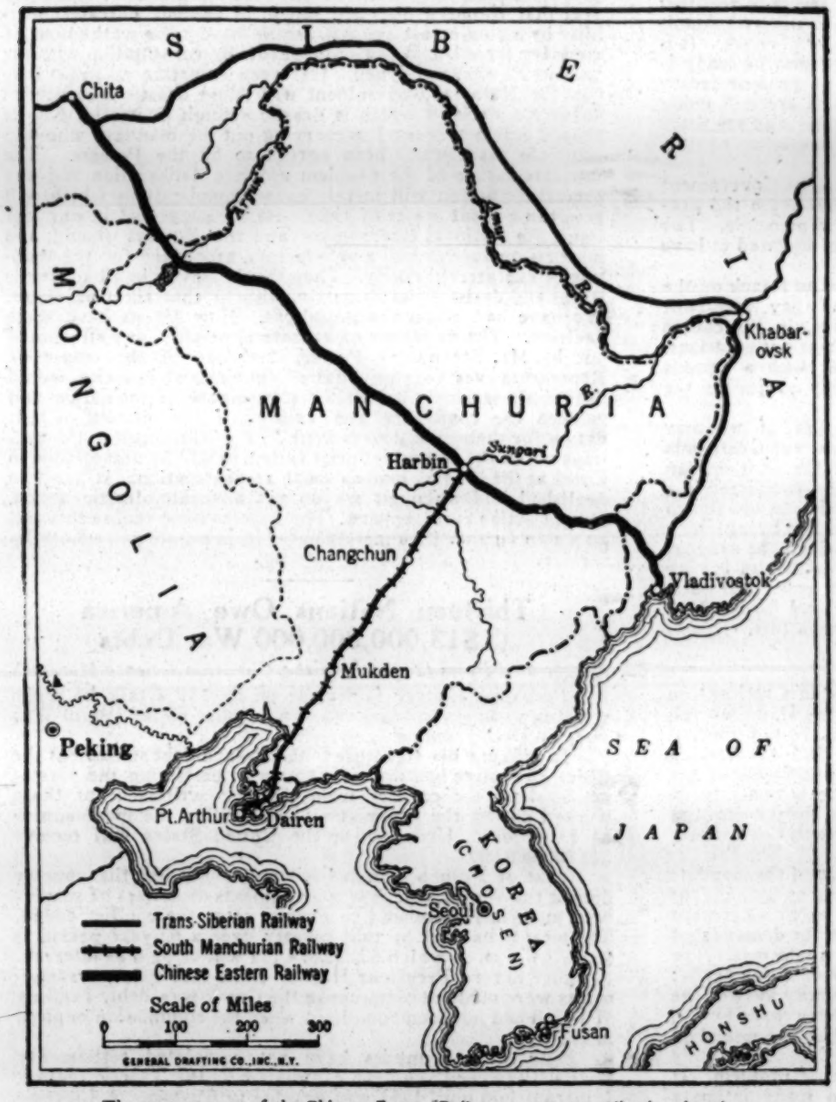
Hongkong, Jan. 17.

A Railroad Born In Sin

BY CHING-CHUN WANG, PH.D., LL.D.
Former President of the Chinese Eastern Railway Company

(*World's Work for December*)

BEING conceived in iniquity and born in sin, the Chinese Eastern Railway has been breeding trouble ever since its incarnation. It led to the Russo-Japanese War, it continued for thirty-three years to create suspicion among nations, and now it again forms the cause of a conflict that threatens the peace of the Far East. With a length of only 1,067 miles, why should this railroad be so notorious for stirring up trouble? After the bitter experience of thirty-three years, is it impossible to find some remedy? Such must be the questions which thinking people all over the world are asking to-day. In order to answer these questions we must first of all examine the background of the past.



The management of the Chinese Eastern Railway was one obligation hanging over from the Czarist days that Soviet Russia chose to assume. The map clearly illustrates her reasons for this. The Trans-Siberian Railway, built by Russia, skirted the border of Manchuria, entering Vladivostok by way of Khabarovsk. This is a circuitous route. Accordingly, in 1896, there was concluded a secret pact between Russia China by which the former obtained formal consent to extend the Trans-Siberian Railway straight through Manchuria to Vladivostok. This is the Chinese Eastern Railway. Thus it was possible to shorten the line by 568 miles. But Russia was not satisfied with Vladivostok as an outlet on the Pacific, for the port is icebound more than half the year. She therefore obtained a lease of Port Arthur and Dairen, and the C.E.R. was authorized to construct a branch line running from Harbin to Port Arthur and Dairen. The road was built, Russia spending vast sums to make Port Arthur an extensively fortified naval base and to build the modern cities of Port Arthur and Dairen.

Under the original contract of 1896, which the Czar forced Li Hung Chang to conclude, the Chinese Eastern was nominally owned and constructed by a private company. Among other things, this contract provided that the shares of the company could be acquired only by Chinese or Russians and that the president of the company should be appointed by China. It further provided that at the end of thirty-six years of operation, China should have the right to redeem the railway and that in case the profits of the railway exceeded the dividends allowed the shareholders, such excessive profits should be applied to the redemption fund in behalf of China.

Leaving China High and Dry

On the face of it, China had considerable interest in the railway. But in reality, Russia controlled everything. The Czar had the shares of the company printed and, at the same time, told his ministry of finance to buy them up as soon as they came off the presses. It was quite a simple matter for the Czar's agents to become the sole shareholders and, as such, to exercise full control.

The contract stipulated that the undivided surplus of the Chinese Eastern should be applied to the redemption of the railway in China's behalf, but it did not say what should be the maximum dividend to be declared. The Czar's agents were reported to have purposely squandered the railway funds and to have charged so much to the railway's accounts that it became at once unattractive for China to redeem the road. Thus China was left high and dry in a simple and "legal" manner.

New Governments, New Terms

The Czar's initial success soon led to other more mischievous exploits. Contrary to all pledges, the jingoistic element in Russia plunged her into the policy of using the Chinese Eastern as the means of conquest. In less than a year she succeeded in forcing China to lease to her the Liaotung Peninsula and to grant the right of constructing a branch line from Harbin to Port Arthur. But in the very success of her exploits, she was sowing the seeds of the Russo-Japanese War.

By the 1924 agreements, China and the Soviet gave the Chinese Eastern the naked status of a government enterprise, to be jointly managed by the two countries on a half-and-half basis. While in many respects the new arrangement is more desirable, at least in one respect it is decidedly more disadvantageous to China than was the old. For the new arrangement did away with the Chinese Eastern Railway Company, a private concern which served as a buffer between the two countries, and allowed Soviet Russia, as a nation, to do business in Chinese territory.

At the time of the 1924 agreements, both China and the Soviet blamed the Czarist regime for all the troubles of the Chinese Eastern. Both led the world to believe that they would do better. This hope, however, lasted no longer than until the new agreements were in operation. Indeed, the arrangement of 1924 between Soviet Russia and Republican China seems to have proven even less wholesome than the old arrangement of 1896 between the Czar and the Son of Heaven; for it took the old arrangement eight years to bring about the Russo-Japanese War, whereas it took the new arrangement only five years to lead to the present conflict, of which the possibilites are no less sinister.

Everything connected with the new arrangement seems to have contributed its share of trouble. To begin with, the 1924 agreements provide that "pending their revision, the statutes of the Chinese Eastern Railway Company approved on December 4, 1896, by the Czarist government, in so far as they do not conflict with the present agreement... and (do) not prejudice the rights of sovereignty of the Republic of China, shall continue to be observed."

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Provisions That Make for Trouble

This provision refers to a voluminous and ambiguous document. If it is difficult indeed to determine which provisions in the statutes conflict with the new agreements and which do not, it is impossible to distinguish which clauses are prejudicial to China's sovereign rights and which are not. This is especially so, when the differentiation is left in the hands of the directors of the Chinese Eastern, some of whom at times may be politicians not necessarily of the best sort.

This agreement further provides for a board of directors consisting of ten persons, of whom five shall be appointed by China and five by the Soviet—six votes being required to make a decision effective. The delegates at the time of negotiation must have known that this provision splits the board into two camps. By the simple device of withholding its votes, either side can nullify the functions of the board. Exactly this has happened; the history of the board under the new arrangement reveals a long and monotonous string of loggerheads.

This provision would not have been so bad, had the agreement provided some adequate way of breaking such impasses. Nothing of the sort; the provisions seem to go from bad to worse as we read along:

With the exception of the estimates and budgets, all other matters on which the Board of Directors cannot reach an agreement shall be referred for settlement to the Governments of the Contracting Parties.

It would have been difficult to provide a worse method for settling disagreements between the Chinese and Russian directors. When such disagreements are to be settled by the two governments through diplomatic channels, the railway's business is bound to degenerate into a whirlpool of diplomatic squabbles; and this provision is largely responsible for the present conflict.

The Chinese delegates seem to have realized these glaring shortcomings. The only reason why they agreed to sign was reported to be the fact that the 1924 agreements were only of a temporary nature; for it is agreed to hold,

"....within one month after the signing of the present Agreement, a conference which shall conclude and carry out detailed arrangements....Such detailed arrangements shall be completed not later than six months from the date of the opening of the Conference."

Among other things, the conference was to settle the "amount and conditions governing the redemption as well as the procedure for the transfer of the Chinese Eastern Railway." Therefore China thought that, however ambiguous the agreements, it was only a matter of months before the ambiguities would be removed and the railway itself redeemed.

As a matter of fact, with the exception of replacing White Russians with the Red in various offcial positions, few of the provisions of the 1924 agreements seem to have been properly carried out. To begin with, five years have passed—and no conference has yet been convened. In the agreements the two governments solemnly pledged themselves not to engage in propaganda directed against the political and social systems of either contracting party; but the world can still recall what the Soviet agents did throughout China during 1926-27. As revealed by the raid of the Soviet embassy in Peking, the Soviet agents spared neither effort nor money in plotting against the then Peking and Mukden governments' with whom the Soviet signed the 1924 agreements.

Futile Protests

A special article of the agreements requires that the manager of the railway shall be a Russian and that "the rights and dufies of the Manager....shall be defined by the Board of Directors." The first part of this provision was immediately carried out, when a Red manager replaced the White one. But as for the second, the Russian directors want to enlarge the rights and duties of the manager, while the Chinese directors want to curtail them; and neither side has yet secured the necessary six votes to decide the issue. In the meantime, the manager does as he sees fit, claiming that all his actions are justified by one or another of the numerous statutes of 1896 which do not conflict with the present agreements. As it requires six votes of the board to curb him, all the criticism he faces is five adverse—and ineffectual —Chinese votes.

The agreements call for revision of these old statutes "not later than six months from the date of the constitution of the Board of Directors." Information, however, seems to show that this has not been done; that the directors have been working during the past five years without any definite rules for guidance.

The agreements further provide that "the employment of persons in the various departments of the Railway shall be in accordance with the principle of equal representation between the nationals." But up to the time of the outbreak, it is said that less than one third of the key positions had been filled with Chinese.

To make a long, miserable story short, it would seem that China, for obvious reasons, wants to push the execution of the agreements as soon as possible; whereas Russia, for equally obvious reasons, wants to delay execution.

At Loggerheads

Each faction of the board has been pushed from behind to exert its efforts to achieve its object. As a consequence, board meetings have been few and far between, and most of them seem to have ended in deadlocks. In so far as the Soviet directors can achieve their object by standing pat and declining to vote, the Chinese directors seem to have been in the game from the beginning.

Both sides, quarrelsome and exasperated, could do nothing but "pass the buck" by referring their disputes to their respective governments "for a just and amicable settlement." At first the two governments had to make some gestures toward rapprochement; but since the raid upon the Russian embassy in Peking in 1927 they have ceased to be on speaking terms, and even this undependable channel of settling disputes —the last valve, treacherous though it was, for letting out the poisonous gas generated by the Chinese Eastern—is closed. After two years' accumulation came the recent explosion which, unless arrested, may grow to serious proportions.

What about the dark picture that confronts us today? While recognizing that the Soviet directors may have prevented China from enjoying the full benefits of the 1924 agreements, we cannot feel that the drastic measure of July tenth was either altogether justified or entirely wise.

By openly calling the attention of the Soviet government to some of the specific misbehaviors of the manager and the Soviet directors and demanding their recall, China might have achieved her purpose. Failing in this, the deportation of the manager and a number of the directors—instead of the arrest and deportation of some sixty of the important Soviet agents on the railway—might have sufficed.

For the coup of July tenth tended to give the impression that seizure of the railway, instead of being a temporary measure to rectify an anomalous situation, was permanent. To create such an impression was unfortunate, because possession of property by seizure is out of date, no matter what the provocation.

But unfortunately it was not the Chinese Eastern muddle alone that caused the explosion. Another and far more mischievous factor was claimed to be the constant efforts of the Soviet agents to use the railway as a subterfuge for spreading communistic propaganda in North Manchuria. The local authorities claim that unmistakble evidence of communistic plots, as revealed by the raid upon the Soviet consulate in Harbin, compelled drastic measures.

On this point the whole nation is with the local authorities, for it was communistic propaganda imported from Soviet Russia that brouht about the Hankow and Nanking outraget, lowered China's prestige in the family of nations, delayed her unification, and threatened China's social and economic order. If seems, therefore, that it is the presence or absence of communistic propaganda on the part of the discharged railway employees that justifies or condemns the action of July tenth. If the evidence is conclusive that such communistic plots have been carried on in violation of the 1924 agreements, then the action would seem justified. On the other hand, if the evidence is doubtful the local authorities must acknowledge their blunder and reinstate the discharged agents without further delay.

Another figure which casts a shadow on the picture is Japan, with its large economic interests in South Manchuria. The *New York Times* of July 28, 1929, well observed that "as the most interested spectator in the Russo-Chinese quarrel in Manchuria, Japan has maintained an attitude at once restrained and diplomatically correct." But behind that "diplomatically correct" attitude does there not seem to be something that causes anxiety?

While Japan Looks On

The *Times* editorial continues to say that "by announcing that the officials of the South Manchuria Railway would not grant passage to troops over that line, she has made it virtually certain that there can be nothing more than local skirmishes, should either side decide to resort to force." This announcement seems to have been put into effect, for a *London Times* correspondent reported that "the Chinese troop movements are much handicapped by the refusal of their transport over the South Manchuria Railway." The same day, it was reported that some Japanese military officers were found with the Soviet army. In the meantime, Japan concentrates ten thousand troops in Changchun, with more to come by various routes.

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Not all the reports may be true, but one is led to perceive that Japan may be preparing to play her own game. If Japan is as desirous to prevent war between China and Russia as the United States was to prevent war between Bolivia and Uruguay, and with the same kind of disinterestedness, then there probably will be no war; for in addition to her own strong position she will have the unqualified support of America and Great Britain in making the call for peace heard.

The only thing that might prevent her from doing this, perhaps, is the feeling that in case of open conflict she would profit no matter which side won. Moreover, she is in a position to decide which side should win,even without openly entering the fray. The branch line from Harbin to Changchun, which Japan has been trying years to get, and the fishery rights along the Siberian coast are ready presents at the Soviet's command; while control of numerous railway lines and the right for Korean and Japanese immigrants to come into Manchuria in numbers to own land are counter attractions that China might concede.

If China got the bid, Russia would find it difficult to make any headway in Manchuria; if the Soviet got the bid, Red troops would occupy Harbin; if neither gets the bid or if China and Russia realize whose ax they would be grinding by resorting to force, then we shall have peace.

But the drama does not end there. With the extension of Japan's influence into North Manchuria (South Manchuria is already permeated), Japan will soon be in a startegic position to control North China. For whoever controls Manchuria controls North China, and China will either have to exhaust herself by fighting the onrushing tide, or else, as not a few thinkers advocate, make the best of a worst situation by accepting Japan's tutelage, as Austria and Hungary did with Germany.

With the whole picture before us, we believe two different remedies are needed—one for stopping the conflict now and one for the permanent benefit of the future. Latest reports seem to indicate that the two parties are trying once more to settle the dispute by direct negotiation. But China and Russia, at times, seem to be "riding on the tiger's back," from which position, awkward as it is, they find it difficult to dismount. Should their effort again fail to find any solution, then the only way left would seem to be for the friendly Powers to get the bull by the horn and demand that the two parties submit the case to arbitration.

For the permanent benefit of the future, the best way would seem to be for China to redeem the railway. As experience amply shows, it is difficult for any one government to manage a railroad well; doubly so when two governments are involved. But if joint ownership and operation on a fifty-fifty basis are to continue, then we urge (1) banishing the ghost of the contract and statutes of 1896 by the immediate adoption of some clear and definite regulations governing the functions and working of the board of directors and the important executive officers of the railway, (2) adoption of a standing rule for settling all disagreements by arbitration, and (3) the selection and employment of a railway expert of some neutral country as manager of the Chinese Eastern.

Retirement of Dr. Willard Lyon, Veteran Y. M. C. A. Worker

Dr. Willard Lyon, after 34 years of continuous service as secretary of the Young Men's Christian Association, is retiring from active service. Dr. Lyon was a member of the staff of the National Committee of the Y. M. C. A.'s of China and one of the founders of the Association movement in this country. Dr. Lyon was born in China, and after receiving his education in the United States, returned here and made it the scene of his life work. The first start in Y. M. C. A. work was made in Tientsin in 1895. The Boxer trouble of 1900 interrupting his work in North China, he proceeded with his wife to Korea, where he instituted Y. M. C. A. work on lines similar to those which had been so successful in this country. Dr. Lyon shortly afterwards went on furlough to the United States, and returning here in 1901 helped to organize the National Committee, with which he has ever since been prominently identified.

Rev. E. W. Luccock to Serve Community Church for Further Five Years

The Community Church of Shanghai at its annual meeting last week extended a unanimous call to Rev. Emory W. Luccock to become pastor of the church for the coming five years. Rev. Luccock, who has served Community Church most efficiently for the past year, has expressed his willingness to accept the call. The consent of the Presbyterian Board of Foreign Missions in New York, with which Mr. Luccock is associated, is still required, but this is understood to be a mere formality.

North Manchuria Events

(From the Review Correspondent)

On November the twenty-second, when a telegram was received from Mukden by the Staff of the Chinese garrison in Hailar to the effect that the town should be evacuated by the Chinese troops, the Amban, Mongolian Governor of Barga, was not given any instructions either by the Chinese military staff in Hailar or by the Mukden Authorities. On finding himself left alone and unprotected he had to act on his own initiative. As the town had been evacuated by the Chinese troops and lay open for the entrance of the Soviet troops approaching from the west, the Amban with his entire staff left his Hailar residence for a place in the interior, from which, after summoning the Hoshoon chieftains of Barga with their body guards and hearing that Hailar continued to be still unoccupied by the Soviets, he sent a cavalry detachment of his troops under a young Mongolian officer, Mikhart, ordering him to occupy Hailar. On Nov. 24 Mikhart occupied the town and stationed outposts around it. He despatched small bodies of cavalry in the Eastern and Western direction along the railway line. One of the bodies reached and occupied the station of Hakay. But others that had been sent along the line in the West of Hailar returned after a short time and reported that numerous separate parties of people on foot were moving towards Hailar on both sides of the railway line.

The Mongolians prepared to defend the town from the coming armed parties of people, which proved to be the fragments of the Manchuli and Chalainor Chinese garrisons moving eastward apparently with a view to join the Chinese troops at a point on the railway. A short skirmish took place. The Mongols opened rifle and machine gun fire on the approaching Chinese who without displaying any desire to force their way to the town began to retreat and then turning southward went by a round about way to a point on the railway East of Hailar.

On receiving a report on all this the Amban returned to his capital city, Hailar.

The Amban now condemns the action of the Chinese authorities and their attitude towards him and his people. It is said that he has lodged a complaint with the Authorities saying that they, by leaving him uninformed and unprotected in such a critical situation, have treated him and his people like foreigners.

Sale of Intoxicants Forbidden

D. M. Tchuproff, a resident of Hailar came to Harbin on January 6. He left Hailar on January 2 and travelling by motorcar came to the station of Unur, from which he made the rest of his way to Harbin by train. He says that from November 27 till December 24 Hailar was occupied by the Soviet Russian troops, there being 3,000 soldiers quartered in that town. There were three airplanes and one armoured train. The troops kept perfect order in the town. The sale of intoxicants was forbidden all the while the troops stayed in the town. The liquor stores and distilleries were sealed by the order of the commanding officer of the troops, and sentinels were stationed at every store or distillery. A soldier being found drunk was tried by the staff of the troops, and sentenced, as Tchuproff said, to 5 years of inprisonment.

Sixteen men, all residents of Hailar, were arrested by the Staff and sent to the U. S. S. R. No harm was done to anybody else.

There were goods, worth one million dollars, stored at the godowns of the commercial Agency of the C. E. R. in Hailar; all these, excepting the goods the owners of which were in Hailar, have been transported by the Soviets to Russia. The merchants who did not flee and had their goods deposited in the Agency for safe keeping received their goods back on presenting proper documents. The flour and grain stored at the Sungari Mill in Hailar were also shipped to the U.S.S.R.

The Soviet troops completed the evacuation of the town on December the 24. Now the old or Chinese section of the town is occupied and controlled by a Mongolian detachment consisting of 250 horsemen. Prince Gwifu, the Amban, is now in Hailar. There was a convention of all the Barga Mongolian chieftains held at Hailar during the first decade of December. The question of Barga autonomy was discussed, but the resolution has been kept secret.

The Russian section of the town is administered by a Committee consisting of the president of the Committee, Mr. Takasaky, a Japanese; the vice president, Mr. A. Firsoff, a Russian Jew, and members Mr. Horhoruny—a Georgian, and Mr. Sukhoff—a Tartar. This Committee was formed on Nov. 25 or 26.

The merchants that remained in the town began to do their business as soon as order was restored after the evacuation of the Chinese troops. There is shortage of tea, sugar, and some other food stuffs in the town.

Cattle Plague in Three River District

D. Chuproff, a veterinarian, came here in order to get vaccine and then return to Hailar where from he intends to proceed to the Three River District for the purpose of vaccinating cattle there, for plague broke out and is raging throughout the district.

Mr. Show-Ling, manager of the Wool washing plant of the C. E. R. arrived in Harbin from Hailar on January 6, and after visiting some of the high Chinese officials here he went to Tsitsihar to report to General Wang Fu-ling on what had happened in Hailar, and on what is going on in Barga, and the attitude of the Mongolian Administration in Hailar to China. On his way to Harbin Mr. Show-Ling visited General Chao, the Tupan of Hulunpuir (Barga) district, concurrently the Commissioner for foreign affairs in Hailar.

Pamphlets, are spread in the Chinese section of Harbin. They are illustrated by a picture showing a Russian soldier transfixing a lying Chinese with a bayonet; behind this group two men—Tsai and Li Shao-gen, it is understood—are shown putting money into their pockets. This is one of the forms by which the Chinese people here show their dissatisfaction with the results of the Sino-Russian dispute.

The relations between the Russian and Chinese high officials here seem to be far from being friendly, even externally. At the meeting of the Directors of the Board of C. E. R. some of the Directors on both sides exchanged ill words together so that further discussion of the questions on the agenda became impossible, and the sitting, therefore, was postponed for an indefinite period of time, or, as it was reported in the local paper, till the arrival at Harbin of the newly appointed Tupan of the railway Mao De-kui. It is rumored here that general Wang Fu-ling, Governor of the Tsitsihar province, being displeased with the policy adopted by the Mukden Authorities towards the Soviets, has withdrawn his loyalty from Mukden and is negotiating with the Nanking Government for direct subjection to the latter.

Who Remembers the "Benjamin F. Packard"

(By the "Drifter" in The Nation for Dec. 25)

Speaking of adventure and exploration brings the Drifter to the melancholy notice in the newspapers the other day of the sale as an item in an auction at an art gallery of the old sailing ship Benjamin F. Packard. The Packard was a noteworthy vessel in her time, with an added value today as one of the few surviving full-rigged sailing ships which were once the glory of American commerce. She was one of the last of such ships built in this country—actually the last wooden vessel of the kind laid down in the yards of Gross, Sawyer, and Packard at Bath, Maine. That was in 1883. The vessel was engaged in the China tea trade—the aristocracy of commerce—in the transport of wool from Australia, and later in Alaskan waters. Her hull along the waterline is still girdled with the iron with which she was sheathed at that time to protect her from ice. The Packard made her last commercial voyage in 1925 when she brought a cargo of lumber from the Pacific to the Atlantic seaboard through the Panama Canal. The owners arranged to have her towed in order "to make better time," but the old craft is said to have led the tow much of the way. She lay in Long Island Sound as she was ignominiously knocked down as an "antique" for $1,000, probably a fiftieth to a hundredth of what it cost to build her, while tiny ship models brought more than double that sum as mantelpiece decorations. Fortunately the Packard was bought by a firm of antique dealers, which means that she will not be sold for scrap. She ought to be preserved, perhaps as the headquarters of some sea-minded club.

Columbia Country Club Elects Officers

The Columbia Country Club of Shanghai held its annual meeting January 17, when officers for the coming year were elected. L. G. Cousins was elected president, J. B. Davies, vice-president; J. E. Swan, honorary secretary, and U. G. Frondorf, treasurer.

The following were elected members of the Board of Governors. For two years: V. Clair, L. G. Cousins, F. B. Hudson, J. J. Sheridan, F. E. Vincent, F. A. Walters, B. H. Watson. For one year: W. H. Bolton, N. F. Xavier. The following have still one year to serve on the Board: J. B. Davies, L. Everett, U. G. Frondorf, F. A. Meyerink, J. E. C. Swan.

U. S. Insurance Not Adversely Hit by Stock Collapse

American insurance companies have not been as hard hit by the October and November Wall Street crash as an article headed "Insurance in the United States—Badly Hit by Share Collapse on New York Stock Exchange" appearing in the *North-China Daily News*, British newspaper in Shanghai, of January 12 would lead us to believe, according to officials of two of the largest American insurance companies operating in China.

In refuting some of the assertions made in the *North-China* article, C. J. Smith, vice-president of the American Asiatic Underwriters, and F. E. Nincent, local manager of the American Foreign Insurance Association, cite lengthy articles on the subject appearing in recent issues of leading American insurance journals. These tend to show that neither do "the lists of common share holders of various fire companies make sad reading" nor were "Many of the leading American fire insurance companies paying far more attention to the share markets than to underwriting for months before the market broke," as the *North-China* article infers.

Neither is there information to hand to show that American insurance companies have handled their business in the slip-shod manner suggested by the writer of the above-mentioned article in the following extract: "Companies will have additional trouble with their collections, as many agents maintain but one bank account in which both their personal funds and premiums collected for their companies are included, and some of the agents have been playing the market and have been trimmed."

The following extract is taken from an article in *The Insurance Field* and is typical of the optimism expressed by writers in leading insurance journals:

"Standing almost untouched by the repeated crashes in stock values on the New York Exchange, the insurance business is not only riding the storm easily and triumphantly, but is extending its vast resources to allay its effects upon the general business life of the Nation.

"Last week's symposium of statements from the leading fire and casualty company executives, reassuring the agency forces and the public of possible worry is fully borne out in further opinions from other insurance leaders, many of whom, however, preferred not to be quoted directly.

"Many of the qualified companies have been buying securities at the "bargain counter" prices which have prevailed; others are reported as having placed their credit resources behind the financial interests of the country.

"The stocks of the companies themselves, which reacted moderately during the first and second crashes, have again begun to climb and many expect them to reach even higher peaks during the next few months.

"So far as the financial structure of insurance is concerned, therefore, everything is on the bright side."

From another issue we quote the following:

"Insurance companies are shrewd and cautious investors. They have had to become and remain so, because the lack of underwriting profit in fire and casualty insurance as practiced in this country has compelled the successful executive to concentrate on investments as the source of income wherewith to make good the usual deficit on underwriting and to provide the funds for cash dividends and surplus accretions.

"Successful business is not operated on the basis of unknown and uncontrollable elements. There must be something sure and definite. Hence the high development of the investment portfolio in the United States to afford the definite factor wholly within the control of the company, without political or competitive pressure always interfering (as in rates) to distort or disturb the executive judgment.....Fire and casualty executives these many years have invested for safe returns, rather than speculated for lucky profits, and so they were not caught like lambs when the bears ran loose on the Street. More likely they will be found in the squirrel role, with good stores of sound nuts safely placed before the storm hit the tree.

"Another thing: The market's current behavior furnishes ample justification for those companies which, months or years ago, set aside special contingency reserves to cover future fluctuations in security valuations."

From the West Coast of America comes the following report:

"San Francisco company men do not anticipate any material difficulty in collections or in other phases of the business as a result of the recent readjustment of the stock markets of the nation. A canvass of the 'street' shows little concern over the situation."

In still another issue we find the following statement: "In the case of insurance companies it is fortunate that their investments in stocks are very limited. And it is to their advantage that, while stocks were soaring, they were able to secure bonds at figures perhaps lower because of the rush for stocks."

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Third-Degree Methods By Hongkong Police

(*From the Review's Correspondent*)

Hongkong, January 12

Startling revelations were made against the Hongkong Police by a Chinese prisoner who was facing a charge for possession of six forged $100 banknotes and who alleged that he had been unlawfully assaulted and beaten by amongst others, Sergeant Kennedy, the detective C588, district watchman 94, and some others not mentioned. After a very long hearing covering nine sittings the case came to a conclusion yesterday when the Magistrate, Mr. Grantham, discharged the prisoner, named Cheung Chung Shan, an employee of a famous import and export firm of Hongkong, remarking that there was genuine doubt as to whether or not, the accused had possessed the forged notes. On the other hand, added the Magistrate, the prisoner had proved that he was assaulted in the detective office.

Prisoner Repeatedly Assaulted

"Going over the evidences," said Mr. Grantham, "the defendent says that he was beaten when first taken to the detective room at the Central Police Station by Sergeant Kennedy, detective C588, district watchman 94 and some others not mentioned. He says that he was beaten with a ruler on his knees and legs and was then being punched on the chest. He says that he was beaten before he went out at 5.30 p. m. on the day when he was first taken to the Police Station and was beaten again after he had come back from the search. The prisoner added that it was exceedingly painful and that these confessions were extorted from him."

Medical Evidences Corroborated

The statement of the Magistrate in commenting over evidences being a long one, it is interesting at this stage to come back to some statements made by Dr. Cannon, M. O. H., doctor of the Victoria Gaol of Hongkong. In giving evidence, Dr. Cannon said that he recognised the prisoner as the man whom he examined on the previous week. Describing the injuries, the witness continued that there were bruises on the breast bone level with the third and fourth ribs extending to 2½ and 1¾ inches long respectively. On the outside of the left knee was a purple bruise and three bruises of a similar color on the outside of the right knee. The color of the chest bruises was yellow. (The prisoner himself stated early in the trial that the bruises were very painful and red and swollen up.) Dr. Cannon was asked in the course of his evidence whether he had heard any other complaints from Chinese prisoners in the gaol as to similar bruises. It is considered to be significant that Dr. Cannon answered that *as usual* the story from these prisoners is that they, meaning the culprits in the Victoria Gaol, have been struck by the Police. The witness also stated that he got frequent complaints from these Chinese prisoners stating that they have been struck by the Police and that sometimes such complaints come in batches of three or four a day. Dr. Cannon concluded by saying that the bruises of the defendent could not have been self-inflicted and that they certainly have been caused by bluntish weapon, probably a round ruler. The bruises of the prisoner were consistent with the story which the prisoner told the Court. In October and November 1929, Dr. Cannon said, he had three or four cases a day in which the Chinese prisoners serving terms in the Victoria Gaol made similar complaints against the Police.

Regarding these evidences given by Dr. Cannon, the following is the Magistrate's comment on them yesterday: "The only witness corroborating the story of the defendent is Dr. Cannon who said that the nature of the bruises on the defendent's knees rather looked as though he has been hit when he was in a crouching position. Dr. Cannon also said that the bruises and wounds on the defendant's knee were consistent with his having been hit with a round hard object such as the ruler which we had in Court last time and that the marks on his chest were consistent with his having been hit with a fist.

"There was one point which stood out, and that was the position of the bruises on the knees. They were on the outside of the knees, on the fibula, which goes to show that the defendant was not hit just anyhow but at a definite place and it appears to me that whoever inflicted those blows knew that a blow on the fibula would cause great pain, in fact the man who did so was *expert in a mild form of torture*. Dr. Cannon said that such a wound would cause great pain and a man of defendant's physique would suffer very greatly. Dr. Cannon therefore does corroborate the defendant very fully."

Police Witnesses Doubted

Commenting on the witnesses given during the other sittings in the case, the Magistrate said, "On the other hand we have the evidence of Sergeant Kennedy, the Chinese detective and the district watchman. Naturally they all deny having assaulted the defendant or having seen him assaulted. They all say that he was not touched. But their evidence does not agree. Where it disagreed most noticeably was in answer to the question as to whether Sergeant Kennedy was present in the detective room all the time. Sergeant Kennedy said that he was there for about a quarter of an hour, 3.15 to 3.30. The district watchman said that Sergeant Kennedy was there all the time, up to 5.30. The detective on being recalled, after he had heard the evidence from the district watchman, also said that Sergeant Kennedy was there the whole time. I therefore doubt very much evidence of all these witnesses and I must accept in the main the defendant's evidence on that point. Not only has the prosecution failed to prove that the statements were voluntary, but the defence has proved most conclusively that the defendant was assaulted in the detectives' office. Whether it was the constable, detective or district watchman who inflicted the wounds, cannot be established and we are not concerned with that in this present case." The defendant was, therefore, discharged by the Magistrate.

Still Another Case

January 17

It is with much regret that immediately after the conclusion of the forged bank note case, in which a Chinese prisoner was alleged to have been assaulted and received serious injuries while in hands of the Hongkong Police, a similar case is reported during this week-end when another Chinese employee of a local firm, charged with theft at the Central Magistracy before Mr. Grantham, is stated to have been beaten and thrashed by a Chinese detective. In the course of the trial one of the witnesses summoned stated before the Bench that the prisoner apparently had been thrashed so that he had to admit under the circumstances the theft of the money from his firm. The remark stirred some surprise and the Magistrate then put it to the witness as to who did assault the prisoner. The witness hesitated, and on being advised by the Bench not to be frightened pointed to a Chinese detective in the Court as the man who had thrashed the prisoner. The prisoner was discharged at the conclusion of the trial.

Newspaper Comment on Police Methods

The two cases in which Chinese prisnoers were assaulted by Police officers have stirred considerable public attention here and in the course of a leading article appeared in the *South China Morning Post*, the writer comments:

"At a time when foreign argument is asserting that the absence of fair treatment in Chinese Police methods and courts is one of the reasons why the retention of extratorritorial rights for foreigners is essential, it is a thousand pities that two cases should have come before the Hongkong courts in which accused Chinese have been illtreated by the police. In another case on Friday, also before Mr. Grantham, a foki of a shop was charged with the theft of money, and the master of the shop, in giving evidence against the accused, said that the defendant had been thrashed but had not confessed. When pressed by the Magistrate to say who had thrashed the accused, the master pointed to a Chinese detective in Court. This was not a case in which an accused man made allegations against the police, but one in which a witness "gave the game away." This question of police methods in Hongkong is indeed a serious one, for if we are going to throw stones at China then we ought to be quite certain that we do not live in a glass house ourselves."

Hongkong, January 17, 1930

Extraterritoriality Denounced in Canton

Denouncing extraterritoriality as the protective cloak under which foreigners in China can do wrong with immunity, several thousands of Kuomintang members, students, soldiers and citizens in Canton City yesterday took part on the East Parade Grounds in Canton suburb in a huge public demonstration. The demonstration was followed by a big street parade in the course of which handbills and other anti-extrality literature were freely distributed to the pedestrians. The demonstration was well attended with members of the Government organs, merchant guilds, labor clubs, colleges, universities, schools, the Canton Lawyer Association participating. The Commissioner of Reconstruction of the Government, General Tang Yin-wah and members of the Provincial Government were all present and many delivered speeches. The many Chinese newspapers are loud in their utterances against the evil of extrality and apart from giving very full reports of the demonstration and street parade they commented in their leading articles on the deep-rooted evil of extraterritoriality which has impeded the progress of the Chinese government for the past 80 years. That the Canton citizens are giving their full-hearted support to the cherished intention of the National Government and Kuomintang party for the abolition of extrality is evidenced by the simultaneous appearance since yesterday of the thousands of paper slogans put up on the roadside walls some of which read as follows: "Abolish extrality and do away with all the unequal treaties with foreign powers." "The abolition of extrality means cessation of foreign aggression in China."

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AGENTS THROUGHOUT CHINA

Peasant Labor Conditions In Soviet Russia

BY DONALD DAY

(Reprinted from The Chicago Tribune)

Four years ago Commissar Joseph Stalin, general secretary of the Russian communist party, made a speech in Moscow. He turned against the small group of commissars who had been dictating the policies of the Soviet government up to that time and told them that the best way to make a world revolution was to begin by making the revolution a success in Russia. He declared that the huge subsidies to small groups of communists abroad would be immediately discontinued, that hereafter all Russia's cash would be devoted to the improvement of the internal economic situation. Stalin deported and exiled his enemies and became dictator, but instead of improving the interior economic situation in Russia he has only made it worse.

Russia, according to official Soviet statistics, is an agricultural country. Slightly more than 83 per cent of the population live in the villages and slightly less than 17 per cent live in the cities and industrial districts. But still Russia has not got enough to eat, and, although the communist economists announce that the production of Russian industry is increasing by leaps and bounds, there is not enough manufactured goods to supply the population and the shortage of everything is becoming more acute.

Russia, reports the *Isvestia*, has in the neighborhood of 25,000,000 farms. About 40 per cent of these are owned by poor peasants, those who have neither a horse nor cow. Another 50 per cent are owned by middle peasants, who have one horse and one cow. The remainder are owned by Kulaks, rich peasants, who have varying numbers of horses and cows.

The poor peasants, in order to cultivate their land, must rent a horse from a rich peasant. For the use of the horse and for a supply of seed grain he pays from one-fourth to one-third of his crop. Every middle peasant had ambitions to become a Kulak and most of the poor peasants wished to become middle peasants. These capitalistic inclinations of the peasantry are undermining the Soviet government.

Lenin Advocates Extermination of Kulaks

Lenin first enunciated the policy of the communist party towards the village. He advocated that the Kulaks be exterminated and decreed that communists be sent into the villages to organize the poor peasants against the rich. These committees of the poor, as they were called, had the support of the government and they confiscated the property of the Kulaks and divided it among themselves.

This policy was not a success for it was followed by the requisition of grain without payment and resulted in the famine of 1921 which cost the lives of several million people. Besides, the Kulaks began to distil their grain and potatoes into vodka and they soon got back all of their confiscated property. Three years ago the situation in the Russian village had about returned to normal and the country was actually able to export grain by imposing high taxes and through selling the scanty supplies of manufactured goods at tremendous prices through the village stores.

Stalin adopted Lenin's plan without modification. He again sent communists to the villages with instructions to dispossess the rich peasants and this was done. Today the most energetic and capable farmers are outcasts. They have no right to purchase goods in the cooperative stores, they cannot buy or purchase grain or mill it, they have no voting rights in the village Soviet and they cannot send their children to school, where there are schools.

The result is that the Russian village has become a village of poor peasants. The middle peasants, upon whom Stalin depended to provide produce to feed the city population, saw there was no chance of them becoming rich so they became poor to escape taxation. Further, there was nothing for them to buy with the money paid them for their produce, so why should they work?

Heavy Taxation

In an effort to make the peasants cultivate their land the government imposed taxes upon everything. Every head of livestock, every fowl, every pig, every sheep was taxed and farm houses were taxed for every window they had. But the tax system failed to work and the harvest last year was small.

Communists, many of whom knew nothing about agriculture, visited the farms and taxed each peasant before his crop was sown. Poor peasants were taxed the least. Middle peasants were taxed severely and rich peasants were taxed out of existence. Peasants arriving in Riga en route to Canada declare that a cow is taxed twenty rubles a year, a pig ten rubles, a goat ten rubles, and a sheep five rubles. Farcical prices are realized, a sheep being sold for twenty-five kopeks and a cow for five rubles. Rather than keep the animals and have to pay taxes upon them themselves, the poor peasants slaughter and eat them. Because of this policy the amount of live stock in Russia has decreased more than 10 per cent in three years.

The ambition of every peasant in Russia is to be classed by the government as a poor peasant. Then he has only to work enough to support his family and grow a sufficient quantity of produce to pay his small taxes and to be able to trade it in to the cooperative stores for his meager needs.

The government collects all taxes in cash. This is to compel the peasant to sell his goods to the state grain trust and other organizations established by the government. The official price paid for wheat in Russia this year was between 25 and 30 cents a bushel and from 15 to 20 cents for rye. If you reckon that Soviet currency is inflated just one hundred per cent then these prices would have to be cut in half to get the approximate purchasing power of the money received by the peasants.

Faced with this situation the Russian mujik sat down calmly to starve out the cities. A year ago the government suddenly woke up to the fact they did not have enough food to last through the winter. Accordingly all the urban population was placed on rations and last spring Russia secretly made fairly large purchases of grain abroad.

"Economies" Organized

But instead of modifying the "left policy" toward the village, Dictator Stalin introduced a new scheme, it is now planned to group all of the peasants in Russia into Kolhozi and Sovhozi (collective economies and Soviet economies). Each economy is supposed to consist of twenty to one hundred peasant families who have pooled their land and their resources under the direction of an agriculturist who is supposed to introduce modern farming methods as far as possible. Every member of the peasant's family is placed on the pay roll of the commune, even the children. The wages run from 15 kopeks (7½ cents) per day for a boy herder, to forty kopeks (20 cents) a day for a grown man. The crop of the commune is sold at the prices fixed by the state to a state organization, and the money obtained goes to pay taxes and to purchase the high priced agricultural implements and foodstuffs.

Thousands of these communes were organized all over Russia, but the Soviet government is already experiencing difficulty in persuading them to sell their crops at the prevailing transactions and when unfavorable bargains have been made the grain stores were freqently destroyed by fire or left out in the rain to be ruined. Many such communes have reverted to the life of the old style Russian village with a Kulak running things to suit himself and feeding the entire village as he did in previous years.

Whether the economies are going to succeed in feeding Russia is a very problematic question. Thus far they have not succeeded in promoting any feeling of loyalty among the peasantry for the Soviet government, and neither have the crops been as large as expected. Another factor against the success of the economies is that the officials in charge are instructed to prevent the peasants from observing religious holidays and to penalize those attending church. The peasant does not surrender his religious beliefs easily and atheistic agitators are frequently wounded with pitchforks.

Percy Hammond, Best Known American Dramatic Critic, in Shanghai

Percy Hammond, dramatic critic of the New York *Herald Tribune*, probably the most widely quoted commentator on the theater, spent several days in Shanghai last week on a trip around the world. He was accompanied by Mrs. Hammond, described by Ring Lardner, as the "perfect wife," the trip being taken in the interest of her health. A full-page article descriptive of Mr. Hammond's work as a dramatic critic, which appeared in the *Editor and Publisher* on Nov. 30, stated that this was his first extended vacation in 35 years. The article stated that just prior to his departure from New York, Mr. Hammond covered the opening of "Claire Adams," as his final assignment before beginning his leave and that altogether some 8,000 reviews from his typewriter had appeared in print. Mr. Hammond was born in Cadiz, Ohio and prior to his connection with New York newspapers, he worked on various papers in the West and Middle West. His theatrical reviews in the *Herald-Tribune* are syndicated throughout the country. While in Shanghai, Mr. and Mrs. Hammond were entertained by Victor Keen, local correspondent for the *Herald Tribune*, and also by Randal Gould of the *United Press*.

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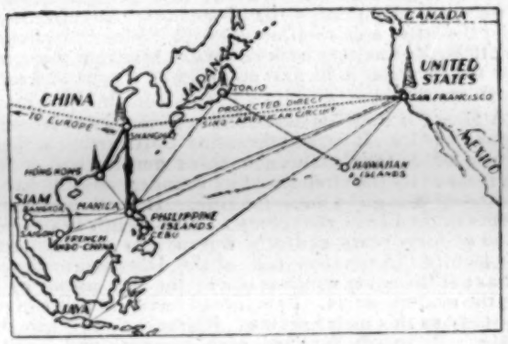

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HOW THE KELLOGG PACT WAS INVOKED IN SOVIET-CHINESE DISPUTE

(*Continued from page 277*)

ordered all Japanese within the zone of that line to take refuge at Harbin. Tokio reports, however, stated that neither the Foreign nor the War Office expected an emergency such as would necessitate the sending of troops outside the zone of the South Manchuria Railway, the Japanese line which meets the Chinese Eastern Railway at Changchnn.

Soviet Issues Conditions

An intimation that Marshal Chang Hsueh-liang, Governor of Manchuria, was seeking a negotiated settlement came with the report that Tsai Yun-sheng, Commissioner of Foreign Affairs at Harbin, had got into telephonic communication with Soviet Consul General Melinikov, formerly of Harbin, then awaiting events at Chita, Siberia. Immediately following this dispatch from Tokio a statement was issued by the Soviet Foreign Office setting forth conditions for an agreement, while Soviet forces were withdrawn from Manchurian soil and hostilities were restricted to occasional bombing forays by Soviet planes.

With the success of Soviet arms came a report from Nanking that Foreign Minister Wang had submitted a proposal "recently" to Moscow via the Chinese Minister in Berlin that a Sino-Russian commission be formed with a neutral as chairman to investigate conditions on the borders. *Isvestiya* denounced the proposal as insincere, declaring that it had been sent to Moscow on Nov. 14, two weeks after its contents had been made known to the European press.

Concurrently with the inauguration of pourparlers in Manchuria the Nanking Government addressed identical appeals to the signatories of the Kellogg pact and to the secretariat of the League of Nations asking that steps be taken to halt and to punish the Soviet act of "invasion" which it declared to be a violation of the pact. The League took no action, as China's appeal did not call for formal intervention, but Secretary of State Stimson called into discussion the representatives of the powers and of China at Washington and obtained from the powers their views regarding the Chinese plea. President Hoover gave prolonged consideration to the question in conferences with Secretary Stimson and members of his department in charge of American relationst with the Far East. London and Tokio dispatches stated tha Secretary Stimson had suggested, as early as Nov. 27, some form of joint action to the other governments concerned. Confirmation of the move in all capitals was given by Washington, which stated that no concrete proposal had been made. The Japanese Government stood upon its position of last July, not viewing the situation as sufficiently serious to require the type of action proposed. With the news of Mukden's decision in favor of direct negotiations, the American Government felt less concern, but, while not pressing for immediate action, it continued discussing possible eventualities with the other powers.

Great Britain and France, however, approved, and on Nov. 30 Secretary Stimson stated that his plan went no further than an effort to mobilize world opinion for peace in Manchuria and did not involve intervention or mediation, which he thought were not contemplated under the Kellogg pact. In place of a joint declaration to Russia and China the United States addressed the plea to both countries for a cessation of hostilities, as stated above, and requested similar action of all fifty-three signatories of the Kellogg anti-war pact.

Diplomatic Relations between Russia and Britain

The reference in the Russian memorandum to the refusal of the United States to recognize the Soviet Government finds an echo in the action of the British House of Lords in voting by 43 to 21 its disapproval of the resumption of diplomatic relations between Great Britain and the Soviet Union, although the House of Commons had on Nov. 5 voted for ratification. When the question was put to the test in the Commons the Liberal party and many independent Conservatives voted with Labor. Attempts to make recognition contingent upon Russia's payment of the claims of British subjects were defeated by an appeal to the desire of members of all parties to promote trade with the Soviet Union as one means of remedying the grave unemployment problem in Great Baitain. Within Russia, the official press greeted the consummation of this program in anything but a cordial and friendly spirit. Editorial comment consisted of jeers at Henderson and MacDonald for their stand with regard to guarantees against Bolshevist propaganda, and of bitter criticism of British imperial policy. Sokolnikov, a veteran member of the Communist party and a friend of Lenin, was appointed Soviet Ambassador to London; to his hands will fall the difficult task of working out an agreement regarding British claims, a question which has been left for negotiation after the re-establishment of diplomatic recognition. The action of the British Government has already been endorsed by the government of Australia. The Lords voted against the resumption of diplomatic relations on the ground that the Soviet Government should offer adequate guarantees that Great Britain would not be subjected to Communist propaganda.

New Books of Interest in the Far East

A Story of Australia

A House is Built, by M. Barnard Eldershaw. George Harrap and Company: London and Sydney. 6/—

Within recent years two novels of the British Dominions, both written by women, have attracted much attention. They are "Jalna", written of life in Canada; and "A House is Built", the work of two Australian women, graduates of the University of Sydney—Flora Eldershaw, and Marjorie Barnard. Both were awarded prizes—the former the "Atlantic Monthly Prize": the latter a prize offered by the Sydney "Bulletin", in value £1000. And neither book suffers either from the competition, or the fact that, in its first publication, it appeared serially. For both are real.

"A House is Built" is described as almost Galworthian, and with some justice. It is reminiscent of Galsworthy in that it is a picture of a family through three generations, a family which is made by the strength of its founder. But its handling is also strong enough to merit the title. It is an interpretation of events in the life of the colony of New South Wales during a period of forty years, skilfully woven into the text of the family picture. Australia—few of the Dominions—have produced as yet the novel which is one of the best means of educating the modern world. Few indeed have produced so excellent a study as this under review. Historically it is completely accurate. It moves forward with sureness and steadiness indicating that the writers have absorbed themselves in their period and their characters. And perhaps one of the most remarkable features about it is the fact that the authors, personal friends of the reviewer, say that they wrote in turn successive chapters yet there is no sign of "break" in the craftmanship. It has unity throughout.

It is a story of James Hyde, former Quartermaster in the service of Her Majesty's Navy, who, upon retirement, determined to bring his family of two daughters and a son to Australia, and there to found a family. The increasing economic success of the Quartermaster sees him move from living above the store on the waterfront, to a region now included within the actual city boundary in the Municipality of Sydney, but then a fashionable residential centre, and finally to a suburb on the Parramatta River, which runs into Sydney Harbour, which was then, and is now, one of the loveliest of that beautifully situated city. The depicting of the general economic life of the country—the depression of the forties, when population, far from increasing, was withdrawing, through the fifties, which saw the discovery of gold, and a consequent boom period, is unerringly drawn. The satisfaction of the quartermaster in handling the challenges to business organisation which his entry into supply of necessities for the gold fields involved is a piece of characterisation excellently done. The strength of the book, indeed, lies in its characterisation. James Hyde, and his daughter Fanny, obviously born a generation before her time, are excellently drawn. It is said that minor characters are less carefully done: but for two complete successes to be achieved in depicting real people, is surely great merit.

Fanny is the only one of her father's children to inherit any of his strength of character. Foiled, or rather fooled, in an early love affair, she failed to find outlet for her powers in the tending of her brother's children. Yet the convenances of the time did not give her opportunity to show her capacity in her father's business; it remained for the shortage of responsible workers which the gold-fever caused in the cities, for her to get her chance. On a larger scale, it was the war, which occasioned shortage of men workers, which gave women of many countries an opportunity: and Fanny's fate was that of many other women. After several years of complete happiness in handling matters of sufficient moment to call out the best in her, she was forced by her brother's steady opposition, to withdraw. The handling of Fanny by the authoresses is faultless. They have done a service even to the women of this generation.

An Australian resident in Shanghai is proud to write this review!

E. M. H.

World Politics in the Pacific

The Restless Pacific, by Nicholas Roosevelt. Charles Scribner's Sons, New York. 291 pages with index. 15 charts.

This is a well-written book of twenty chapters, arranged under the headings of The Problem, The Geography of Position, The Geography of Production, The Conflict of Policies, The Imponderables, The Balance of Power in the Pacific. It has for its main thesis the idea of America's inescapable obligation to take part in world events on the Pacific, not alone for the immediate results in the balancing of world commerce, but to hold stable the European balances of power as influenced by Asiatic connections and possessions.

The author is committed to an expanding naval policy that will serve to show the world the power of America in the Pacific. He pictures an upset universe were the Philippines to be left to their own governing. Japan is said to be a nation determined "to become obviously second to no nation in the world. What Rome was in ancient days, the Empire of Genghis Khan in the Middle Ages, and Imperial Britain today, Japan aims to be tomorrow—lord of the isles of the Pacific, master of China, sovereign of Asia."

Russia is pointed out as "an Asiatic power with interests in Europe. Geography has decreed that the natural direction of her policy is southward, and that the easiest channels of advance are at the two extremes of her great Asiatic empire. So soon as she is strong again she will exert more pressure at these extremes, to the consequent unsettlement of world politics."

The chapter on China, the Puzzle of the Orient, is in the main very good, but it has certain weak points. The author makes several quotations from a blue-book from the pen of Walter J. Clennell, as recently as 1924 British Consul in Foochow. This gentleman, he says, "has made a plea for perspective in considering the Chinese situation and, in so doing, has drawn illuminating parallels between conditions in present-day China and in England of the fourteenth and fifteenth centuries. This analysis reflects the ripe thought of many years study.... Living and economic conditions in China (always excepting those in the Treaty Ports and in the few places where foreign influence has prevailed) are, he insists, much as they were in the 1300's in England when pestilence, famine, baronial banditry, and tyranny were customary. In fact, in the reign of King Stephen the state of affairs in England showed, according to Mr. Clennell, "a condition of violence, lawlessness, and misery far surpassing anything to be found at present in Fukien, though in some ways not dissimilar".

From this Mr. Roosevelt goes on to argue that, as in England it took about "twenty generations to grow out of a social and economic condition not unlike that which prevails in China today into its present system" it will take a comparable time to set China straight in the modern world. And again quoting Mr. Clennell he agrees that "however highly we may esteem the virtue and intelligence of Asiatics, it seems improbable that they are so far our natural superiors as to be able in one act, by the promulgation of one law or code of regulations, or by the united efforts of one generation, should one generation ever be so happy as to be united, of accomplishing what it took Europeans about five centuries to effect".

This comparison we consider a poor one. Though England in the 12th century (not 1300's) was in many ways economically in a similar state to that of Fukien today, still England was at that time on a par with the development of other European countries. A few may have had more culture, but they had little better in government. Today modern China expects, not the Ford model of twenty-five years ago, but the 1930 motor and airplane. She has tremendous difficulties, but she also has not a few men educated in the most modern way in universities all over the world. These should furnish a leaven of thought, which if allowed to work through government agencies, ought to raise China ere long above England of the 12th century. This side of the present situation is entirely lost sight of by our author. The whole world has progressed since 1100 and if China has remained in a measure stationary, certain elements have entered the situation, and can never be removed. The very fact that Mr. Roosevelt quotes from Dr. Hu Shih shows that he cannot regard all of the Chinese as backward in thought. His worry regarding China is after all common to many—a fear lest ideas of sane government will be too slow in penetrating the mass of China's people.

G. B. S.

The "Bulletin" of the Stable Money Association

The *Bulletin of the Stable Money Association* for December contains articles on the Bank for International Settlements, Philip Snowden on Monetary Policies, A Gold Shortage, In Bryan's Shoes, and much other matter of interest to those interested in the subject of stabilized money. The head office of the Stable Money Association is at 104 Fifth Avenue, New York City. Frederick Delano, of Washington, D. C., is the president.

Railway Administration Under The National Government

(The following is a reprint of the history of railway administration in China since the National Government came into being. The full report has been published in pamphlet form for general distribution.)

Dr. Sun Yat-Sen said "Transportation is the key to Industries and Railway the key to Transportation". Verily the Railway is the fundamental instrument of transportation and therefore the foundation ot industrial development. That is why Dr. Sun Yat-Sen advocated, at the every beginning of the Republic, the construction of a 100,000-mile railway net-work. His advocation has taught us that without executing the Railway policy, material construction in China will be impossible.

The National Government, acting on Dr. Sun's instruction, established on November 1st, 1928 under the Executive Yuan the Ministry of Railways to take charge of the Railways in the country and to consummate Dr. Sun's plan. Mr. Sun Fo was appointed Minister; Messrs. Lien Sing-hai and Wang Cheng were appointed Political aand Administrative Vice-Ministers respectively. On the day of the Ministry's inauguration, it consisted, as provided in the Organic Law promulgated by the National Government, four departments, namely, the Department of General Affairs, the Department of Railways Administration, the Finance Department and the Department of Planning and Construction with Messrs. Chen Yen Chun, J. K. Choy, Wang Cheng and Y. S. Chun as Directors of the respective departments. Messrs. C. S. Liu, T. C. Yen, Kuan Keng Lin and J. Usang Ly were appointed Counsellors.

Having taken over from the Ministry of Communications all duties pertaining to Railways, the Chiaotung University in Shanghai, the Civil Engineering College in Tangshan, the College of Railway Administration in Peiping and a chain of Railway Middle and Primary Schools established in the various Railway Centers for the education of the children of Railway employees, the Ministry set to work. Minister Sun Fo introduced in the Central Political Council of the Kuomintang two Administrative Policies, i.e., the Centralization of Railway Administration and the Independence of Railway Accounting System. Having passed these resolutions, the Central Political Council ordered the Ministries of War and Railways to execute these policies in full. The Railway enterprise in China began a new life.

On account of the lack of Railway experts in China, Dr. J. A. L. Waddell was retained as Consulting Engineer, J. J. Mantell as Adviser on Railway Management, R. S. Norman as Legal Adviser and Wm. B. Poland as financial Adviser to the Ministry.

Office at Shanghai

For the sake of facilitating business transaction, an office of the Ministry was established at Shanghai with Tiehsan Chen as Director.

So much for organization. Let us now come to the administration of the various Railways.

Since Nanking became the National Capital, the political and economic importance of the Nanking-Shanghai and the Shanghai-Hangchow-Ningpo Railways has gradually grown. J. K. Choy was appointed to concurrently take charge of these administrations.

The Peiping-Mukden and Peiping-Suiyuan Railways, being trunk lines of the North-East, have suffered great damages from internal strife of late. They urgently need rehabilitation. Wang Cheng was appointed to concurrently take charge of them.

The Lunghai and the Tatung-Chengtu Railway were formerly administered by Directorates-General. Upon the recommendation of the Ministry, the executive Yuan abolished the above mentioned offices so that the administration ot these Railways would be under one head instead of two.

The settlement of the Tsinan Incident called for reorganization of the Kiao-Tsi Railway. Consequently the Kiao-Tsi Railway Managing Commission was established with Dr. T. C. Yen as Chairman of the Commission.

Later with its head office removed to Peiping, the Hankow-Peiping Railway was renamed as Peiping-Hankow Railway. W. T. Liu was appointed Managing Director.

Pan T'ing-hsien, Sun Ho-kao and Fang Ta-chih were appointed Managing Directors of the Peiping-Suiyuan the Tientsin-Pukow Railways and the Hunan-Hupei Section of the Canton-Hankow Railway respectively.

Then the three Railways in Kwangtung come under the actual control of the Ministry. The Canton-Samsui Railway was amalgamated into the Canton-Hankow Railway with Chen Yin Wen as Managing Director, while Liu Chiu-ko was made Managing Director of the Canton-Kowloon Railway.

Upon the request of the Kiangsi Provincial Government the Ministry took over the administration of the Nanchang-Kiukiang Railway. Kung Hsueh Shui was appointed Managing Director.

Highway Planning Commission

After the inauguration of the Ministry, the Ministry of Communications, acting on the order of the State Council transferred to the Ministry of Railways all duties pertaining to National Highways. A National Highway Planning Commission was organized with three Commissioners appointed by the Ministry and one representative from each of the Provincial Construction Departments and Y. S. Chun as Chairman. It completed its task of planning in three months.

The Ministry of Communications also handed over its European office at Paris which served as an organ to arrange for international through traffic. Upon taking charge of this office, the Ministry appointed K. Y. Woo as Director and concurrently as Delegate to the International Railway Union representing the Peiping-Liaoning, the Peiping-Hankow and the Tientsin-Pukow Railways.

For the classification of goods and the determination of tariffs, the Advisory Committee on Fares, Rates and Classification of Goods was appointed with the Director of the Department of Railway Administration as Chairman ot the Committee.

In order to unify the accounting and statistical systems of the various Railways, the Advisory Committee on the Unification of Railway Accounts and Statistics was appointed with the Director of the Finance Department as Chairman.

An Editorial Committee on Railway Rules and Regulations was also appointed. Vice-Minister Lien Sing-hai serves as Chairman.

To eliminate corruption in the purchasing of Railway materials, a Purchasing Commission, a Commission on Selection of Tenders and a Commission on Inspection of Purchased Materials were organized. Later, the three Commissions were amalgamated into the Purchasing Commissisn with Hu Chih-sien, Tiehsan Chen and Chen Chiu An as members of the Standing Committee. Three Sub-committees were appointed to Peiping, Hankow and Canton.

For the training of qualified personnel for Railway Service, the improvement of the existing Railway Schools and the education of the low grade staff and laborers now in active service, the Committee on Railway Education was organized with at first Y. S. Chun and later Kuan Keng Lin as Chairman.

More than fifty years have elapsed since China first adopted modern means ot communication, but no complete and reliable record of the History of Communications is available. Since the organization of a Committee to compile a history of communications under the auspices of the Bureau of Compilation and Translation in the defunct Peking Government in 1922, the history has not been completed although several changes had already taken place. The Ministry, in cooperation with the Ministry of Communications, organized the Committee for Compiling the History of Communications with Kuan Keng Lin as Chairman and Chang Hsin Cheng, a division chief of the Ministry of Communications, as Editor-in-Chief.

In last September Vice-Minister Wang Cheng resigned on account of poor health. J. Usang Ly was appointed to succeed him. Meanwhile Hu Chi-hsien was appointed Director of the Finance Department, Dr. T. C. Yen was transferred to be Chief Technical Expert. Liang Han Chau, F. K. Sah and Dr. King Cheng-yang were appointed Counsellors.

Not long after, J. K. Choy was sent to Europe to study Railway conditions and problems. F. K. Sah was made acting Director of the Department of Railway Administration and Hu Chi-hsien was appointed to concurrently take charge of the Administration of the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways.

The Peiping-Mukden Railway was renamed as Peiping-Liaoning Railway with Kao Chi Yi appointed as Managing Director. The unification of administration in the Peiping-Liaoning Railway was effected.

New Organization of Ministry

For one year after the establishment of the Ministry, no serious change in organization took place. But being newly

established the division of duties inside the Ministry worked more or less on a trial basis. As the Ministry goes on, experience calls for reorganization. Therefore, on the 18th of last November, the National Government promulgated the revised Organic Law of the Ministry. In the new organization the Ministry is composed of the following departments and bureaus:—

1. The Counsellors's Office
2. The Secretariat
3. The Department of General Affairs, with Chen Yen Chun as Director.
4. The Department of Traffic and Operation with Kuan Keng Lin as Acting Director.
5. The Finance Department with Hu Chi-hsien as Director.
6. The Engineering Department with F. K. Sah as Director.
7. The Railway Through Traffic Administration with Kuan Keng Lin as Acting Director.
8. The Bureau of Statistics with F. K. Mok as Director.
9. The Railway Health Service with Dr. S. M. Woo as Director.

A resolution passed by the Second Plenary Session of the Kuomintang Central Executive Committee last spring appropriated two-thirds of the Boxer Indemnity Funds for Railway construction and decided that the Canton-Hankow Railway should be completed by the end of 1932. Therefore a Commission on the Completion of the Canton-Hankow Railway was established with Y. S. Chun as Chief Commissioner and H. S. Chuck as Director of Construction of the Chuchow-Shaochow Section. The same resolution further decided that the Lunghai Railway should be completed by the end of 1934. Therefore a Commission on the Completion of the Lunghai Railway was established with Kuan Keng Lin as Chief Commissioner, Ling Hun Hsun as Director of Construction of the Lung-hai Railway and Ko Kuang T'ing as Managing Director.

As a compensation to the share holders of the Canton-Shaochow Section of the Canton-Hankow Railway the Ministry has been authorized by the National Government to issue $20,000,000, bonds to redeem the shares outstanding. A Board of Trustees for the Yueh-Han Railway Redemption Bonds was organized.

Other organizations as the Advisory Committee on Railway Terminlogy and the Advisory Committee on Railway Loan Agreements have come into existence as work demands.

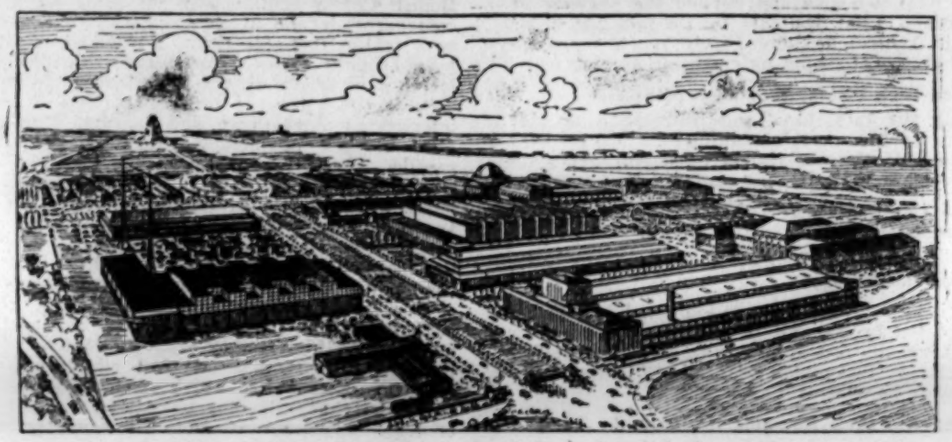
II. ANALYSIS OF PRINCIPAL DUTIES.

TABLE SHOWING THE ORGANIZATION AND WORK OF THE MINISTRY

The Minister
- The Ministerial Conference
  - The Advisors' Office—Proposing, investigating, examining, and inspecting the plans, construction and management of Railways and National Highways.
  - The Counsellors' Office—Drafting, examining, deliberating on editing and compiling rules regulations and ministerial orders.
  - The Secretariat—Drafting, deliberating on and safekeeping confidential correspondence, editing and translating administrative reports and documents in foreign languages, keeping records of ministerial conferences, taking care of the Library and the Museum.
  - The Department of General Affairs—Attending to the general affairs of the Ministry and its subordinate offices and affairs not specially assigned to other offices, departments and bureaus.
  - The Departments of Traffic and Operation—Attending to the traffic and operation of Railways and National Highways under the Ministry.
  - The Finance Department—Attending to the financial affairs of the Railways and National Highways under the Ministry.
  - The Engineering Department—Attending to the engineering work of the Railways and Highways under the Ministry.
  - The Bureau of Railway Statistics—Attending to the statistics of the Ministry and its subordinate offices.
  - The Railway Health Service—Attending to the sanitary and medical affairs of the various Railways.
  - The Through Traffic Administration—Attending to domestic and international through traffic arrangements and the clearing of Railway accounts.
- The Political Vice-Minister
  - Railway Planning Commission—Planning Railway lines of the whole country.
  - National Highway Planning Commission—Planning the Construction of National Highways.
  - Economic Committee—Making economic plans for operating and projected lines.
  - Editorial Committee on Railway Rules and Regulations—Drafting, deliberating on and compiling rules and regulations.
  - Publicity Committee—Centralizing publicity and editing official publications and statements.
  - Technical Committee—Studying and solving technical problems in Railway Engineering.
  - Committee on Standardization of Railway Technique—Determining the standard of and working out improvement on Railway technique.
  - Purchasing Commission—Purchasing materials for the railways.
- The Administrative Vice-Minister
  - Advisory Committee on the Unification of Railway Accounts and Statistics—Revising the Accounting Rules and Classifications, working out accounting methods, working out Statistical forms and Regulations, and summarizing other accounts.
  - Advisory Committee on Readjustment of Railway Obligations—Readjusting the various Railways' obligations rising out of domestic and foreign indebtedness.
  - Committee on Railway Personnel—Investigating the qualification of railway employees.
  - Committee on Railway Education—Reforming and improving on Railway education.
  - Committee on Railway Scholarship Abroad—Determining the number of scholarships and investigating the qualification, examining the standard and experience of scholarship holders and applicants.
  - Commission on Suppression of Opium Smoking—Investigating, examining and suppressing Opium Smoking that may be addicted to by Ministerial and Railway staff.
  - Commission on the Completion of the Lunghai Railway—Taking charge of the planning, surveying, financing and construction of the unfinished sections of the Lunghai Railway.
  - Commission on the Completion of the Canton-Hankow Railway—Taking charge of the planning, surveying, financing and construction of the unfinished section of the Canton-Hankow Railway.
  - Committee for Compiling the History of Communications—Compiling the History of Communications.
  - Other Committees, Commissions and Conferences.
  - The Shanghai Office.

(To be Continued)

The Leipzig Spring Fair



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Troubled China: Leaders at Loggerheads

BY DAVID TUNG FOO HSU (徐東甫)

One wonders under the present circumstances if war-torn China is thrown into endless struggle for personal supremacy amongst the military leaders, victimising the populace to a deepening extent. True, some Chinese patriot may stand up denying the truth of the statement, but none the less this veil of pessimism shrouds the entire country, for the time being at least. This seems to be particdlarly true when at the conclusion of the recent exhaustive expedition against the insurgents in the Northwest, and Marshal Chiang Kai-shek, Commander-in Chief of the National Naval, Air, Land Forces, coming back covered with glory of victory and felicitations from all sides, another revolt of two regiments under command of General Shih Yue-shan, formerly Feng Yu-hsiang's potential subordinate, was reported at Pukow. Synchronized with the revolt, General Tang Shen-tse, Commander of the 5th Route, who participated in the recent Northwestern Expedition as a staunch supporter of the Central Government, suddenly declared his independence from Nanking. For a time, this combination of the treacherous elements seemed to be a serious menace against the stability of the Government at Nanking.

Doubtless the Nanking Government was shocked by the unexpected revolt of the two generals upon whom the Government had bestowed every honor and generosity and had placed unstinted confidence and reliance upon their repeated pledges of loyalty towards the Government. Apparently the Nanking Government was particularly indignant at their capricious, worthless character. So the following day a Mandate was issued, condemning the rebel Tan Shen-tse and ordering him under arrest. Meanwhile the Government has appointed General Ho Chen-chien to succeed him as the 5th Route Commander, and also direct the loyal units under General Liu Chi Commander of the First Division advancing along the Lunghai Line towards the rebels which are being concentrated at Chenchow.

True Story of the Pukow Revolt

It is noteworthy that nothing has so far been reported in the newspaper as regards the Government's attitiude towards the Pukow mutiny. Another message has it that the Government has been in receipt of a repenting message from Shih Yue-shan, denying any knowledge or complicity with the revolt of his troops, and asking the Government for clemency for the misconduct largely due to his negligence rather than the alleged duplicity. The Government is largely concerned with the revolt in Honan, so apparently it does not want to complicate the matter by throwing military operations along the Tsin-pu Railway in proximity to the Capital. However, developments in this connection are still to be awaited with anxiety.

According to a statement immediately issued by Minister Hu Han-min following the revolt at Pukow, it is emphasised that it was largely due to a misunderstanding. The Government appointed General Shih Yue-shan Chairman of the provincial Government of Anhwei simply because of his repeated assurances. of constant loyalty towards the Government. Evidently the Gneneral seemed to be greatly impressed by the exuberant kindness of the Government. Therefore when the "Ironsides," under the command of Chang Fah-kwei, were attempting the descent upon Canton through the North River assisted by the Kwangsiites, Shi Yue-shan availed himself of the opportunity to participate in the punitive campaign against the southern insurrection. In compliance with his request, the Government ordered his troops to be concentrated at Pukow in transit to the front. It was however hardly to be expected that his troops—all northerners entirely unaccustomed to sailing on water,—would not entertain a suspicious attitude towards the motives of the Government. They feared that if they all were confined aboard they would simply be at the mercy of the Government and be disarmed. Hence ensued the revolt just prior to the embarkation.

Some people attribute the Pukow revolt to the influence of the "Reorganisationists" or the Leftists, and according to the Chief Legislator it is not entirely impertinent. But the true story of the incident remains unaltered. Just imagine that when the Government troops were busily involved in a series of desperate struggles against the Northwestern insurgents in the vicinity of Tengfung and Linjue west of Honan, a single blow from the rear by Shi Yue-shan would have been sufficient to tip the balance. If ever Shi Yue-shan harbored ill-will towards the Government, it is extremely doubtful that he would have taken action in the very nick of time. Judging from this undeniable fact, it is not but to be agreed that the recent revolt at Pukow was not under the instigation of the "Re-

organizationists". Because if so, it is evident that the revolt should have taken place either before the conclusion of the Northwestern Expedition or at the time they have otherwise occupied Canton. Now the present revolt is meaningless and entirely contrary to his own wish and outside the purview of his predetermination. That accounts for the fact that on his arrival at Penpu in Anhwei, he immediately sent a repenting message to the Government asking for condonation.

Tang Shen-tse a Fickle, Worthless Militarist

Notwithstating the fact that Tang Shen-tse is an able commander he is a fickle, worthless militarist. It is reported that on his issuance of the declaration of independence, he spoke to his adherents in the following manner:

"Our properties are largely in Wuhan, let us go and restore them to our possession."

The above reveals the entire motive of the insurrection against the Central Government.

Viewed in this light, it would not do him much injustice to pass the judgment that he is simply bending his best efforts in securing personal benefits instead of working for the welfare of the country at large. To say that he is utilized by the "Reorganizationists" would be wide of the mark.

Chiang Kai-shek Remains Undaunted

It is noteworthy that Marshal Chiang Kai-shek in the face of the endless revolts against the Government remains undaunted. On the contrary he is more determined to put an end to the destructive and protracted civil struggle. In his recent telegram to General Yen Hsi-shan of Shansi, he revealed his iron decision of putting down the revolt as staged by the rebel Tang Sheng-tse in order that the righteousnness, upon which the country depends for its very existence, may by maintained, and the iniquities of communism may not run the entire gamut.

According to Marshal Chiang, there is no doubt regarding the collapse of the insurgents as a whole. He firmly believes that with the co-operation of General Yen Hsi-shan, the Government will be able to achieve success speedily.

Nanking, January 16, 1929.

South China Traders Facing Exchange Crisis

(From the Review's Correspondent)

Having just passed a very stormy twelve months in 1929 the traders in Hongkong and South China on the whole are facing a most gloomy period in 1930 consequent to the sensational and continuous fall in value of the Hongkong Dollars which produced some disastrous effects on the import business in South China and which directly increased the standard of living from 20 to 30 percent. At the opening of 1929 the value of the Hongkong dollar was worth two English shillings; at the end it was worth only 1s. 7½d. To-day the Hongkong dollar is worth 1s. 6⅛. T.T. with prospects of further drop in its value. For the exporters this drop in value of the dollar may prove useful at the end of 1929 affording them some opportunities to clear their stocks in hand as some of the foreign buyers in Europe and America were quick to realise the advantage of the exchange; for the importers of foreign goods in South China, principally in Hongkong and Canton, the fluctuation of the Hongkong dollar not only means another obstacle, but in some lines among the importers where competitions are keen the traders had to suffer a stagnation in their trade for the past three months since the sudden drop in the Hongkong dollar. The reason for this unsatisfactory state of affairs is not far to seek, for with Hongkong dollar at 2s. an order for £100 worth of English goods would cost $1,000, but with the rate of exchange of to-day the same amount of goods would cost round about $1,280, an increase of about 22 percent.

Dollar Rate Is Lowest On Record

With the Hongkong dollar standing at ls. 6⅛d. T.T. which is equal to the lowest rate ever recorded—in November and December, 1902, the Hongkong traders are facing the serious problem of probable further drop of the silver. It should be noted that the sensational fall in the value of the dollar was subsequent to a joint conference among foreign bankers deciding on the adoption of a silver basis discarding the former bank notes basis in Hongkong. The urge for the adoption of the silver basis was that since the majority of the Hongkong trade was done with China, which is using a silver basis, there seemed to be a good ground that to meet the exchange competition of her neighbouring country Hongkong should also use a silver basis. It is further argued then that a low dollar would effect clearances of goods in our godowns, would benefit Hongkong's main line of industry, such as shipping, cement-manufacturing and ship-building. With the announcement of the silver basis for Hongkong, millions of Shanghai big dollars were pouring into this British Colony continuously for some weeks and with the consequent decline in its value the traders in South China now realise that for three months the import trade has been brought to a virtual standstill. On account of the increase in prices of the American and English products following the drop of the dollar the Chinese buyers in the interiors of Kwangtung and Kwangsi Provinces are holding off, and show no inclination to place orders for delivery six months ahead. Apparently the Chinese buyers are waiting for a more favorable exchange rate and thus business transaction is limited to immediate requirements. In Hongkong there has been a general dissatisfaction among the Chinese native bankers, and traders with the monetary position to-day, and there have been numerous complaints concerning the inconveniences of handling of the silver dollars, as compared with the conventional bank notes. The Chinese hawkers and small traders are indeed hard hit for they are compelled by the law to accept the Hongkong dollar at full value from buyers, while with the same dollar which he may produce subsequently at the money-changer's shop, he can only raise ninety-five cents or less! Thus, for attempting to bring the Hongkong dollar more into line with the rate of the Tael, in anticipation of brighter industries in Hongkong, the Hongkong banks have found that their efforts are most unsuccessful on the one hand and producing numerous and unavoidable irritations and annoyances to the native bankers and small traders on the other hand. The situation to-day is still more puzzling and uncertain as regard the future of the dollar and many believe that its value will go down to 1s.6d. within the next week or so.

The Position of the Exporters

While we have given a full review of the disastrous effect the low dollar has on the import trade and while the persistent doubts of further fluctuation in the exchange has frightened off merchants to book forward business, it is significant to note that in direct contrast to former expectations the exporters in South China are also in the similar plight, for the very simple reason that American and English firms in foreign lands who desire to buy the South China products are adopting a wise and waiting attitude to see to what extent the Hongkong dollar will fall. It would seem that the consensus of opinion of the foreign firms buying the Kwangtung and Kwangsi products is that the dollar will further drop and the longer they wait the cheaper the goods will be. With a good stock in hand, most of these buyers can afford to wait and this waiting disposition is further assured by the announcement of the Nanking official circles tending to the possibility of the National Government adopting a gold basis. China has for many years been the dumping ground for silver which is becoming a commodity of which the world has glut, But even China today has much silver more than she can possibly need. The latest reports we have from London and elsewhere are that the price of silver has touched a new low record with prospects of further drop. The only consolation we have from this fluctuating price of silver is that if the Chinese in Kwangtung and Kwangsi find that the increase from 20 to 30 percent of imported foreign goods prices is undesirable there is always the option to use China products instead of the foreign goods, provided that the equivalent can be found the home-products.

Cost of Living Increased

It is fairly safe to say that if the exchange position does not improve in the very near future in 1930 the foreign population in South China will be facing the problem of an increase of about 30 percent in their cost of living. To these foreigners the outlook is very gloomy for they will have to purchase their tinned-goods, materials for their clothings and other commodities from abroad on gold basis. For the present the foreigners are still able to buy their commodities on slightly increased prices as the stocks which the retailers have in hand are those which they purchased six months ago on the 2 shillings basis, but it is most unreasonable to expect them to charge the same prices for goods which they have to order with a 1/6 dollar. These traders all say that they have to go back to 1925 when the big strike and boycott period on British goods was at its pitch to find such a dark episode in the history of the commerce in South China.

British merchants dealing in piece goods imported from America, Japan and England are hard hit and the market condition is as dull as ever, despite the fact that the woollen season now is in full swing. Due to the lowness of the value of the dollar the Chinese buyers have placed very few orders.

Hongkong, Jan. 13, 1930.

Who's Who in China

Mr. H. S. Chuck A. B., C. E.
卓康成
(Cho K'ang-cheng)

Mr. Chuck was born in a village in Chung Shan District Kwangtung Province, in 1883. At the age of 12, he went to Honolulu with his brother to attend the St. Louis College and later the Oahu College from which he was graduated in 1906. He then returned to China. In 1907 he went back to Honolulu and then to America. In 1913, he joined the Whangpoo Conservancy Board at Shanghai as Assistant Engineer in the Hydrometric Department. In March 1914 he resigned from said post and joined the Szechuen-Hankow Railway as junior Assistant Engineer. Later, he went to the Hupeh Tayeh Mines as Chief Engineer in charge of all new work. In 1917, he joined the Chu Ching Railway, a Siems-Carey project, as senior assistant engineer and Chief of Party of a survey between Liuchowfu and Kueilin. The following year, he organized the Pacific Trading Company at Hankow, of which he was General Manager from 1918 to 1921 and Chief Engineer from 1922 to 1925. In January 1926, he arranged with the Pacific Trading Co. to take over the engineering department of that firm under his name and organized the H. S. Chuck Engineering Corporation of which he was the General Manager and Chief Engineer. In addition to his work for the H. S. Chuck Corporation, he also served as Municipal Architect in the second Special Administrative District of Hankow. From 1922 to 1925, he served the Hupeh International Famine Relief Commission as Engineer-in-Chief. In January 1927, after the National Government was established in the Wuhan centers, Mr. Chuck joined the Highway Department of the Ministry of Communications. Afterwards Mr. Chuck received an offer from the Kwangtung Government as Commissioner of Public Highways of that Province and in June he was installed in that office, which he holds at present. Mr. Chuck also holds the following concurrent posts under the Kwangtung Government, viz., Adviser to the Reconstruction Committee of the Canton Political Council, member of the Construction Committee of Kwangtung Province and Chairman of the Highway Tax Commission of Kwangtung Province. Mr. Chuck has recently been appointed the Director and Engineer-in-chief of the Chu Shiu Section of Yueh Han Railway.

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No. 4

Shidehara Outlines Japan's Policy

The following are extracts from an address made by Baron Shidehara before the Japanese Diet January 21.

"Nothing was more gratifying to us than to witness the measure of success which the Nationalist Government by its tremendous efforts was able to attain in 1928 in the great enterprise of effecting a national unification.

"The future of Sino-Japanese relations is variously viewed in this country. There are pessimists who maintain that however fair and liberal a course Japan may steer China will never meet us half way. Others entertain a more optimistic view. They hold that all the suspicion and mistrust which the Chinese people have hitherto harbored towards Japan rest on no substantial ground and that with a better understanding on China's part of our real motives there comes a better relationship between us two peoples. A broad view is that there is no other course open to the two nations than to pursue the path of mutual accord and cooperation in all their relations political and economic. Should they on the contrary fail to understand us and seek trouble with us we can at least rest assured of our strong position in the public opinion of the world.

"With regard to the question of so-called unequal treaties while we are thus quite willing to offer assistance to China in order she may be placed on an equal treaty footing with all foreign Powers we owe it to ourselves to seek adequate assurances for the safety of our nationals residing in China and for the protection of the important economic interests which Japan possesses in relation to that country.

"The attitude which was then taken by Japan in 1925 is the attitude which she is now taking in the handling of the question of "unequal" treaties. In that spirit we gladly accepted as early as 1926 the Chinese proposals to open negotiations for the revision of the Sino-Japanese Commercial Treaty. These negotiations have subsequently been dropped on account of political upheavals in China. In April of last year the two Governments entered into an agreement for the opening of fresh negotiations. Through various unforeseen circumstances formal conversations have not yet been initiated.

China Alone Has Extrality

"That China alone of all nations is to-day denied the exercise of jurisdiction over foreigners within her own territory is indeed an anomaly. It is, however, wide of the mark to ascribe the cause of such an anomaly to the sheer conservatism of any Power. It cannot be denied that hitherto China's judicial system has labored under many serious defects. It is true that various codes of laws have recently been promulgated or are about to be promulgated but in view of their far-reaching importance it will be readily conceded that before they are put in operation a suitable period of time should intervene. These pratical considerations have naturally deterred the Government of the countries having important interests at stake from acquiescing in an immediate abolition of extraterritoriality.

"I can hardly bring myself to the conclusion that the Chinese Government in issuing the mandate abolishing extraterritoriality had in mind a policy subversive of the laws and usages of international intercourse.

The C. E. R. Imbroglio

"A brief reference to the recent complications between China and the Soviet union concerning the question of the Chinese Eastern Railway may not be out of place here. Towards the latter part of November last when the military situation around Manchuli assumed a threatening aspect the Government of the United States addressed a formal communication separately to the Chinese and Russian Governments calling the serious attention of those Governments to the provisions of the Kellogg Treaty and at the same time suggested to all the countries signatory to the treaty that they should take a similar action. It is perfectly natural that America as the initiator of the treaty should feel called upon to take such an action and we fully appreciated the motives by which it was prompted. We ourselves would be unable to remain a silent spectator if this treaty on which the ink is scarcely yet dry were in fact to be reduced to a dead letter.

"Direct negotiations have since been opened between the Governments of the Soviet Union and China resulting in a preliminary agreement. It is now understood that a formal conference is shortly to be held in Moscow. We sincerely congratulate the two nations upon this happy issue.

"Friendly relations between this country and the Soviet Union have recently in many respects been gaining in strength. We are confident that so long as neither of them attempts to interfere with the political and social order of the other, the two nations may live at peace and in good neighborly accord with each other."

Latest Military Moves in the Honan and Canton Situations

A telegram from Suiping January 14 states that after their report to Luho the remnant rebels under Tang Seng-chi surrendered one after another, while those refusing to surrender were disarmed and disbanded. To prevent bandits and disorderly soldiers scattered in Honan after the close of the campaign against Tang Seng-chi from making trouble, the Second Route Army sent crack units to search for them along the Peiping Railway.

A telegram from Chengchow January 16 stated that, apprehending a concentration of bandits and other disorderly elements in various regions along the Peiping-Hankow railway, Gen. Yen Hsi-san January 14 dispatched troops, including those of Tang Seng-chi, to the Hsuchang and Yencheng region to suppress all remnant rebels and miscellaneous troops there. With regard to the Northwestern rebels Yen was insistent on their suppression, concerning which he has been holding conference with his subordinates. Yen Hsi-san and Chao Tai-wen proceeded to Shansi January 15.

A Wuchow telegram January 16 stated that Hwangchuan and Meng Chin at Pinglo decided to come over to the Government under Commander Chen, but on learning this the rebels Lo and Hwang imprisoned Meng Chih, Hwang fled with his troops to Tseunghsien. A later telegram stated that Commander Chen personally directed operations at Kunghwei and when he arrived at Pinglo January 15 he ordered the Eighth Route Army advancing toward Kweilin and a detachment proceeding via Souyen to effect a junction with the Left Wing and Lu Huan-yen's troops in a concerted attack on Liuchow. The Government troops found no enemy remnants in the Yangso-Souyen-Laipo-Pinglo region.

A Nanyang telegram January 18 stated that after occuping Naisiang January 16 Yang Hu-cheng's troops pursued the enemy towards Sichwan, the latter offering little resistance and retreating westward. Yang's troops occupied Sichwan January 17 and captured much equipment.

A telegram from Chengchow January 17 stated that beyond Tungkwan there remained only Chi Hung-chang's troops and a gathering of rebels at Sian, who had no hope of advancing eastward as they were short of provisions. Following the conclusion of the campaign against Tang Seng-chi all Government forces at Luho started to return to Hankow except some units left behind in Honan to protect the Peiping-Hankow railway.

A telegram from Wuchow January 17 stated that Chang Fa-kwei, after having fled with his troops to Souyen and Laipo, was pursued by Eighth Route troops under Tsai Ting-kan and Li Yang-ching whereupon he retreated to Kweilin January 15. The following day the pursuing troops approached close to Kweilin and as a result of the capture of much equipment the enemy was making plans to retreat into Hunan. The rebels under Li and Hwang, having fled towards Liuchow lost communication with the remnant rebels under Chang Fa-kwei. Both Chang and the Kwangsi rebels were thus cornered. An attack on Liuchow was begun by Chiang Kwang-nai and Lu Huan-yen, whose vanguards had reached Maping. Kwangsi citizens were stated to be showing dissatisfaction with Chang and his rebels, and as a result the latter were having considerable difficulty in obtaining provisions for their army.

A telegram from Kiungchow January 18 stated that at the time of the Chang Fa-kwei-Kiangsi rebellion, Cheng Ting-peng's troops in that city, incited by reorganizationists, had revolted against the Government while Communists there ran riot and occupied Kiungshan, Tingan and other cities. Chen Chai with the assistance of gunboats is conducting operations against them.

A telegram from Wuchow January 16 stated that the Eighth Route Army occupied Kweilin the previous day. Chang Fah-kwei with remnant rebels fled to Ining and Kwangnan. Commander Chen, in making his plans for the reorganization of the rebel troops which had been captured, will probably not include officers from captains upwards in the reorganization. Commander Chen and Lu Huan-yen have worked out definite plans for the future, and expect to settle Kwangsi affairs within a month.

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China Would End the Lunar Calendar

BY GEO. W. MISSEMER

If one were to select one word above all others to describe the program of the National Government of China it would be the same slogan which was used in the United States in the middle of the last century, namely, Abolition. Some of the things that China has on its program of abolition are Likin, Extraterritoriality, Unequal Treaties, Foreign Settlements, Taels, and the Lunar Calendar. Note particularly the last one, for that means that the greatest of all Chinese institutions, Chinese New Year, which has its roots way in the dim past, before the Christian era, is to be relegated into the limbo of things to be forgotten. The National Government would accomplish this by a flourish of the pen. It just declares Chinese New Year abolished and that so far as it is concerned, is all that there is to it.

In these days of modernization China's lunar calendar is just as much out of accord with the times, as are bustles, hoop skirts, flint locks and queues. Every race and nationality has had its own idea of the calendar, and the Chinese idea for thousands of years has been that when the moon is full it is the fifteenth of month, that when it is new it is the first of the month, and that when twelve months in a year bring the calendar too far out of step with the sun the balance is to be adjusted by adding an extra month. The New Year, acording to the Chinese way of reckoning always has come around the first of February.

The Chinese are a hard-working people and up until the coming of the missionaries they did not even have the word Sunday, or any other day of the week, in their language. They had days, months and years, but no weeks. When the missionaries came along and introduced Sunday they had to invent a new word for it in the Chinese language, as also they had to invent them for the other days. But to the great mass of Chinese the word Sunday has been only a word; least of all a day of rest.

The One Big Holiday

The Chinese idea of resting is to lump it all altogether and make a real holiday of it. That period of resting is Chinese New Year—not merely a day, but many days; in remote places, even several weeks or a month. If you were to roll the American Fourth of July, Thanksgiving, Christmas, and a few other holidays all into one, and then double them, you would get some idea of what Chinese New Year means to the Chinese populace. Fire crackers, feasting, religious services, bright clothes, greetings, gongs and a *dolce fa niente* spirit—these are some of the ingredients of Chinese New Year. It has also from time immemorial been the day of squaring up debts. Foreign merchants will probably inform you that one of the "worst" effect of modernism in China is to make this good old custom very much of a dead letter. Chinese New Year is also the day when all workmen and servants expect gratuities. This custom has *not* died out.

When the National Government announced that it would not permit the celebration of the Chinese New Year they tackled something more difficult than all the other things on the abolition program combined. To abolish Chinese New Year to the average Chinese is a matter of as much significance as it would be to the average American Baptist if the Government at Washington were to forbid the exercise of the Christian religion.

A Threat of Imprisonment

The National Government has threatened inprisonment and other punishments upon those who persist in observing the old Chinese New Year. The effect upon the average Chinese has been the same as if a similar threat were made against Christian worship in the United States. There would have to be a wholesale campaign of jail building if it were attempted right off to put the imprisonment order into force. The attitude of the average Chinese was well illustrated by that of the head Chinese printer who attends to the mechanical details of getting out the *China Weekly Review*. When he suggested that the printers were going to observe a four days holidays at Chinese New Year we twitted him with the Government order that people who attempted to observe the old holiday would be imprisoned. "Nonsense," he replied with a sarcastic smile, "This is the custom." And so say 99 per cent of the four hundred millions!

Men and Events

C. Giese, director of the Hamburg-America Line, arrived in Shanghai last week on a business tour of the Orient.

Baron Ungern von Sternberg of the Siemens Company, has returned to Shanghai from a business trip to Japan.

The wife of J.J. James, proprietor of the "Jimmy" chain of restaurants in Shanghai, presented him with twin daughters January 17.

W. E. Holland, general manager of H. S. Honigsberg and Company, motor car dealers, departed this week on a business trip to north China.

The National Government, on Jan. 17, issued an order that the internal transit tax known as *Likin* definitely will be abolished throughout the country on October 10 of this year.

William Castle, special American Ambassador, appointed to Japan to serve during the course of the London Arms Conference, arrived at Tokyo on Jan. 20 and presented his credentials.

Yang Kwe-en, compradore of the Nederlandisch-Indische Bank of Shanghai who was kidnapped on Jan. 10, was released on Jan. 21, his release having been effected by the police of the International Settlement.

Dr. Hilton Pedley, head of the Doshisha University in Japan, is departing shortly for the United States where he will make his future home. Dr. Pedley has been engaged in educational work in Japan since 1889.

A new Chinese gunboat, the *Ming Chuan*, will be given its official tests on the Whangpoo on Jan. 25 according to a report of the *Kuo Min* news agency. Owing to the absence of Admiral Tseng Yao-chu, who is now in Germany, the launching ceremonies will not be held until his return.

Sir Miles Lampson, British Minister, departed on Tuesday, Jan. 21 for Hongkong, his departure being due to the serious illness of Lady Lampson who is in a hospital at Hongkong. He departed aboard the British gunboat Serapis.

H. A. Thornton, member of the law firm of Miller and Thornton, San Francisco, who with Mrs. Thornton has been visiting in Shanghai for several days, has departed for Manila. From Manila Mr. and Mrs. Thornton will proceed on a trip around the world.

Mrs. Ethel G. Schoenfeld, daughter of Col. Thomas Goodman of the U. S. Army, was married on Tuesday afternoon, Jan. 21 to Vyvyan Dent, the ceremony taking place at the Community Church, Shanghai, and was performed by the Rev. E.W. Luccock, pastor. Mr. and Mrs. Dent will be at home after Feb. 15 at 203 Avenue Roi Albert.

Miss Chang Wang-jou, second daughter of the late Marshal Chang Tso-lin was married on Jan. 11 in Tientsin to Chao Shih-hui, son of the late Viceroy Chao Erh-hsun. Among those attending the wedding was Madame Chang Hsueh-liang, wife of Marshal Chang Hsueh-liang, head of the Mukden Government. The couple will make their home in Peiping.

The Rev. H. W. K. Sandy, member of the Wesleyan Mission, who was held captive by bandits in Hupeh province for more than three weeks was released on Dec. 9 and reached Hankow on the following day It was stated that the bandit gang which kidnapped Rev. Sandy was the same which kidnapped the American Catholic missionary Father Kreutzen some time ago.

The Columbia Country Club of Shanghai has elected new officers as follows: L. G. Cousins, president; J. B. Davies, vice president; J. E. C. Swan, hon. secretary; U. G. Frondorf, hon. treasurer. The other members of the board of governors are: W. H. Bolton, V. Clair, L. Everett, F. H. Hudson, E. A. Meyerink, J. J. Sheridan, F. E. Vincent, F. A. Walters, B. H. Watson and N. F. Xavier.

Charles C. Moser, former chief of the Far Eastern Division of the U. S. Department of Commerce, is expected in Shanghai shortly for the purpose of making an investigation of the China textile industry. Mr. Moser was previously for a period of sixteen years connected with the American consular service in China. He is now in Japan making an investigation of the textile industry in that city.

The weekly announcement of Community Church, Shanghai, this week stated that $1,000 had been raised for famine relief purposes as a result of an appeal broadcasted last Sunday. The money will be dispensed by missionaries located in the famine districts. The Sunday service on Jan. 26 which will be conducted by the Pastor, Rev. Luccock, will be devoted to a discussion of "Peter's Life." L. T. Chen, general secretary of the Chinese Y. M. C. A. will address the Wednesday evening prayer service on Jan. 29 on the subject of the "Christian Attitude Toward Abolition of Exterritoriality."

CUSTOMS NOTIFICATION.

On and after February 1, 1930 the Haikuan Tael will be discontinued as the unit of calculation of duties on imports from abroad. Instead, a new gold unit will be used. This unit will be equal to 60.1866 centigrammes of pure gold and will, therefore, be equivalent to Gold Dollar 0.40 or 19.7265 Pence Sterling, or 0.8025 Gold Yen. From February 1 to March 15, 1930, inclusive, specific duties on Imports from abroad now expressed in Haikuan Taels will be converted into the new unit on the basis of Haikuan tael one equal 1.50 of the new unit; and beginning with March 16, 1930, on the basis of Haikuan tael one equal 1.75 of the new unit.

As heretofore, dollars, taels, and other currencies will be received in payment of duties. The rates at which such currencies will be accepted in payment of duties expressed in the new Unit will be officially announced from time to time. At least three days' public notice will be given in the event of change in rates.

Ch'en Chi-tsai
Superintendent of Customs.

W. R. Myers
Commissioner of Customs.

CUSTOM HOUSE,
SHANGHAI, 20th January, 1930.

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From the Chinese Press

News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official) and from translations of articles and dispatches appearing in the local Chinese press.

Tuesday, Jan. 14.—Demonstration in favor of abolition of extrality occurs in Hankow.—Normal passenger service on the middle section of the Tsin-Pu Railway is restored.—The Cuban Legation is to be removed from Peiping to Shanghai.—Sir Miles Lampson confers with Wang Chung-hui of the Judicial Yuan in connection with the Shanghai Provisional Court.—The Canton-Hankow Railway is taken over completely by the Government.—New regulations provide for favorable treatment for staff members of Government Railways.—Measures against the circulation of counterfeit bank notes and coins are formulated.—H. H. Kung formulates relief measures for the financial crisis in consequence of the silver slump.—Chiang Kai-shek declares silver situation concerns economic structure of the country.—Opium addicts are to be dismissed from official position.—The German Government agrees to look after the interests of Chinese in Russia until the Chinese Embassy and the various Consulates have been restored.—300 staff member and workers of the C. E. R. are dismissed by the new Soviet manager.—Liu Chih reports officially that the entire region along the Peiping-Hankow Railway is now free of rebels.—Chinese workmen in the C. E. R. workshops go on strike demanding the reinstatement of dismissed Chinese workers.—The 8th Route Army enters Pinglo, effecting a juncture with the 6th Route Army.

Wednesday, Jan. 15.—The Ministry of Industry, Commerce and Labor proposes the issue of a public loan of $50,000,000 for the purpose of industrial development.—Liu Ying-ku, representative of Ho Chien, arrives in Nanking to report to Chiang Kai-shek.—Ho Ying-Ching states that the rebel forces under Tang Seng-chi, numbering 10,000 men, were disarmed at Yaochwang on the 13th by the 2nd Route Army.—H. H. Kung advocates peace and general security for the relief of the present financial crisis.—The Shanghai Bankers' Association recommends unification of the country's currency and adoption of the dollar as the monetary unit of the country.—The Shantung Government resolves upon special consideration and protection to the direct descendants of Confucius.—Chiang Kai-shek gives instruction for the restoration of normal traffic on the Peiping-Hankow Railway.—Regulations governing the issue of a $20,000,000 loan, to be known as the 19th Year Customs Tariff Loan, are adopted.—T. V. Soong orders that Customs Duties on Imports be collected on a Gold basis.—Remnant Ironsides evacuate Pinglo and retreat to Yungfu and Liuchow.—Liu Hsing and Kung Hao, formerly subordinate commanders under Tang Seng-Chi, arrive in Chengchow from Yencheng following the disarming of their troops at Luho.

Thursday, Jan. 16.—Chiang Kai-shek orders return of cars reserved for military transportation to the Shanghai-Nanking Railway Administration.—Yen Hsi-shan, Chao Tai-wen, Liu Chen-hua and Ho Yao-tsu leave Chengchow for Taiyuan.—State Council orders collection of customs duties on imports on a gold basis.—Tai Chi-tao prepares to leave Nanking for Canton to attend to his duties as president of Chungshan University.—March 1 is set as the date for the convocation of the Third Plenary Session of the Central Executive Committee of the Kuomintang.—Regulations governing the operation of exchanges require that all transactions on the Shanghai Gold Bar exchange be concluded as soon as price fluctuations rise higher or fall below five points.—Chang Hseuh-liang instructs Mo Teh-hui to proceed to Nanking to receive the Government's instructions relative to the Sino-Soviet negotiations at Moscow.—T. V. Soong is appointed to the concurrent posts of Vice-Chairman of the Executive Yuan and membership in the State Council in succession to Feng Yu-hsiang.

Friday, Jan. 17.—H. H. Kung tells press representatives that protection by law of life, property and other civic rights of the people constitutes the only means of rehabilitating and improving the country's economic condition.—The Nanking Winter Relief Committee cooperates with the Municipal authorities to employ able-bodied destitutes in road-building work within the city.—The Ministry of Public Health plan to send special delegates abroad to study sanitary welfare work in factories and public health administration.—Central Food Control Committee formulates measures to ensure adequate food supplies for the country.—In response to

demands of striking Chinese workmen of the C. E. R. workshop, the railway authorities agree to the reinstatement of discharged apprentices.—Li Yi-chi, Director of the Peiping-Hankow Railway, leaves Hankow for an inspection of the line.—Han Fu-chu tenders his resignation from the posts of Chairman of the Honan Government and Commander of the 3rd Route Army.—Ironsides are reported to be withdrawing across the Hunan-Kwangsi border into western Hunan from Kweilin.—Yen Hsi-shan holds conference on redemption of depreciated banknotes of the Shansi Provincial Dank.

Saturday, Jan. 18.—Mongolian and Tibetan Affairs Committee instructs all delegates to the Mongolian Conference set for the beginning of April to assemble at Peiping before March 31.—First meeting of the Examination and Selection Committee of the Examination Yuan is held.—Kuo Ju-tung, Pacification Commander for Western Hupeh, arrives in Nanking to report to Chiang Kai-shek on recent developments in Szechuan and Western Hupeh.—Representatives of the striking Chinese workmen on the C. E. R. call on the Soviet Manager and demand immediate carrying out of the Administration's promise to reinstate them.—Chiang Kai-shek orders cash rewards to be given to officers and soldiers who took an active part in liquidating the recent revolt of Tang Seng-chi.—State Council decides to grant pensions to wounded soldiers and compassionate grants to dependents of military men killed in action during the campaign against Tang Seng-chi.—Sun Fo instructs Tsin-Pu and Lung-Hai Railway Administrations to assign cars for the exclusive transportation of foodstuff to the famine stricken areas of the Northwest.—Ministries of Communications, Foreign Affairs, Finance and War submit memorandum to the State Council relative to the proposed revision of the contract between the China National Aviation Corporation and the American Airways Co.—Great Northern and Eastern Extension Telegraph companies express readiness to send representatives to the Ministry of Communications to discuss their contracts which expire Dec. 31. 1930.—The Ministry of Finance instructs that beginning from February 1, all duties on imports shall be collected on the gold basis, and that reports on the carrying out of the order be submitted to the Ministry at regular intervals.—State Council orders complete abolition of likin beginning from Oct. 10, 1930.—Liu Hsing and Kung Hao, subordinates of Tang Seng-chi, depart from Tientsin for Dairen.—Disbanded soldiers formerly under Tang Seng-chi continue to arrive in Changsha.—Through train service on the Lunghai is Railway resumed.

Sunday and Monday, Jan. 19 and 20.—The Foreign Relations Committee of the Legislative Yuan considers the text of the new Sino-Greek Treaty of Amity and Commerce.—Abolition of the tael and substitution therefore of the Yuan (dollar) as standard monetary unit of the country will be effected by July 1, 1930.—State Council issues mandate commending units which participated in the expedition against Tang Seng-chi.—Half the staff members of the Commander-in-Chief's Headquarters will be dispensed with in order to curtail expenses.—Chiang Kai-shek urges Han Fu-chu to remain in office as Chairman of the Honan Government.—Wang Chung-hui, President of the Judicial Yuan, leaves for Shanghai to investigate Provisional Court Affairs preparatory to formulating final reorganization measures.—Sino-Japanese negotiations relative to treaty revision will be started next week.—Children of officiers and soldiers killed in battle while defending the Manchurian border will be admitted to any Government school in the Three Eastern Provinces free of tuition and other expenses.—A Bill of Rights is submitted to the Central Political Council for consideration.—A Telegraph Loan of $10,000,000 will be issued by the Ministry of Communications on Feb. 1.—The Council of the League of Nations decides to call an International Exchange Conference on Feb. 27 at Geneva with a view to stabilizing the present silver market.—H. H. Kung recommends that special deputies be sent abroad to encourage overseas Chinese to invest in industrial enterprises in China.—Legislative Yuan revises and adopts regulations governing the organization and functions of the Provincial Government Committees.—300 released prisoners from Russia arrive in Suifenho.—Redemption of depreciated banknotes of the Shansi Provincial Bank will be started on Jan. 24.—The 6th Division of the National Army will garrison the southern section of the Peiping-Hankow Railway.—Affairs of the Provisional Headquarters of the Commander in-Chief in Hankow are being wound up preparatory to its abolition.—Li Wen-heng is appointed Commander of the 20th Division with instructions to garrison the Siangyang-Fancheng region in northwestern Hupeh.—Yang Fu-chen at Nanyang reports the occupation of Shihchow, southwestern Honan, by his troops following a brief engagement with the Kuominchun.

Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Shimbun Rengo News Service.

Nanking, Jan. 15.—Wang Chao-hui tells Rengo correspondent that Nanking authorities have decided to change the tael account at the Chinese maritime customs to gold.

Peiping, Jan. 15.—Yen Hsi-shan, who has been inspecting the general situation in the neighborhood of Chengchow, leaves for Taiyuan.

Harbin, Jan. 15.—Mongolian representatives meet Chinese officials at Hailar and submit demands in regard to the independent administration of the Barga district.

Harbarovsk, Jan. 15.—Liang Chung-chiao and others Chinese generals with 7,000 troops, who were captured by the Soviets, are delivered to Chinese territory.

Nanking, Jan. 16.—Aoi Shigemitsu, Japanese Consul General in Shanghai and Acting Minister to China, arrives in Nanking from Shanghai.

Harbin, Jan. 16.—Mr. Shigemitsu makes a courtesy visit to C. T. Wang and T. V. Soong.

Nanking, Jan. 16.—Mo Teh-hui, delegate to the coming Sino-Russian parley, receives instructions to proceed to Nanking prior to his departure for Moscow.

Peiping, Jan. 17.—Liu Chen-hua arrives here from Chengchow and states that Yen Hsi-shan will proceed here after settling the internal affairs of Shansi.

Hankow, Jan. 17.—Kuominchun troops which retreated to the Shensi border following the debacle of the Tang Seng-chi troops, recommence activities, main forces being concentrated around the Chichikuan district.

Peiping, Jan. 18.—With the return of Yen Hsi-shan to Taiyuan, the Honan question is regarded as settled.

Hankow, Jan. 19.—The 1st, 6th and 9th Divisions are stationed at Leiho, Kuoshan and Shinyang and Wushangkuan and Huayuan respectively, while the 11th and 13th Divisions are stationed in the Wuhan district as garrison troops.

Hankow, Jan. 19.—Remaining troops formerly under command of Li Shih-chao and Wan Chi-wu of the Reorganizationists resume activities in alliance with the Kuominchun.

H. B. Campbell

46 Szechuen Road,
Shanghai.

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Admiral Tu Shih-kwei of Chinese Navy in Washington

Admiral Tu Shih-kwei of the Chinese Navy, who with a company of naval experts is making a tour of the world studying naval development in various countries, was in Washington on January 10. In an interview with newspaper correspondents, Admiral Tu stated that he planned to go to London for the purpose of observing the developments at the Naval Conference. He stated that in the event the naval conference failed to reach an agreement, that China immediately would take steps to increase her navy, particularly from the standpoint of modern dockyards and in naval aviation. He said that there was no intention of trying to compete with other countries, but that China required several new cruisers and destroyers.

Short Strike of Shanghai Power Co. Employes

A number of employes of the Shanghai Power Company gathered at the Fearon Road plant on Monday, Jan. 20 and submitted a series of demands, including one month's extra bonus, recognition of the laborers' club, payment of pensions, definite understanding regarding leaves of absence, twenty percent increase in wages, abolition of the practice of scolding or assaulting workers, etc. The company refused the demands and a short strike ensued. All except about five per cent of the men went to work; the others were discharged.

Acting U. S. Commercial Attache Arrives

A. Bland Calder, Acting American Commercial Attache, will arrive in Shanghai from Peiping Sunday on the S. S. "Hoten Maru" for a brief stay, during which time he will be glad to confer with concerns having connections or interests in North China in regard to trade conditions in that area. During his stay in Shanghai Mr. Calder may be reached through the office of the American Commercial Attache, Room 502, Robert Dollar Building.

Dr. H. H. Kung Suffers Serious Injury

Dr. H. H. Kung, Minister of Industry, Commerce and Labor in the National Government, is confined to his home at Shanghai, due to serious burns which he experienced to both hands as a result of a defective electric stove. Not knowing that the stove was defective, Dr. Kung attempted to turn on the current, resulting in serious burns to both hands. Mrs. Kung, who also is in Shanghai, is confined to the house due to a serious cold.

American Aid for China Famine Sufferers

The Foreign Missions Conference of North America, at the final session of its annual meetings, at Atlantic City, January 17, recommended measures of relief, "as far as was practicable, for the desperate famine situation in China." The Conference also approved a proposal to nominate members to the Board of Directors of the China Famine Relief Committee, which is planning to raise at least Gold $2,000,000 before the next Chinese harvest.

CUSTOMS NOTIFICATION No. 1167.

NOTICE is hereby given that the Custom House will be closed, and the shipment and delivery of cargo suspended, on the following days:

Thursday 30th January
to 31st ,,
Saturday 1st February (Spring Holidays.)

W. R. Myers
Commissioner of Customs.

Custom House,
Shanghai, 20th January, 1930.

President of Mills College in Shanghai

Mrs. Aurelia Henry Reinhardt, president of Mills College, Oakland, Cal., was in Shanghai last week on her way home after a general tour of the Far East which included Japan, China and the Straits Settlements. Mrs. Reinhardt attended the Institute of Pacific Relations in Kyoto as a member of the America delegation, following which she made a trip through Manchuria where she investigated conditions in that area. In addition to her work at Mills College, Mrs. Reinhardt is well known in educational and literary circles in the United States, having served on the faculties of the Universities of Idaho and California. She was editor of "The Monarchia of Dante Alighieri," "Epicoene, or The Silent Woman", by Ben Jonson, Yale Studies in English XXXI, and also contributor of some translations from Old English Poetry, etc. She is a member of the American Association of University Women of which she served as president from 1923 to 1927, the Association of American Colleges, etc.

While in Shanghai Mrs. Reinhardt was the guest of Mr. and Mrs. O. G. Steen of the Dollar Company, Mrs. Steen being a graduate of Mills College.

China Wishes to Revise American Airways Contract

A recent *Kuo Min* dispatch from Nanking stated that a memorandum relative to the proposed revision of the contract between the China National Aviation Corporation and the American Airways Co. has been submitted jointly to the State Council by the Ministries of Communications, Foreign Affairs, Finance and War.

The memorandum is understood to recommend that, inasmuch as the enforcement of the contract entails a heavy loss to the Chinese Government and also constitutes, in many respects, infringement of China's aerial sovereignty, immediate revision of the contract in respect to certain points set forth in the memorandum is deemed necessary. It is further recommended that if the American Company declines to revise the contract, it should be terminated, the National Government at the same time reimbursing the American Company for all expenses incurred.

Edward L. Hall Heads Chinese Department of Sun Life

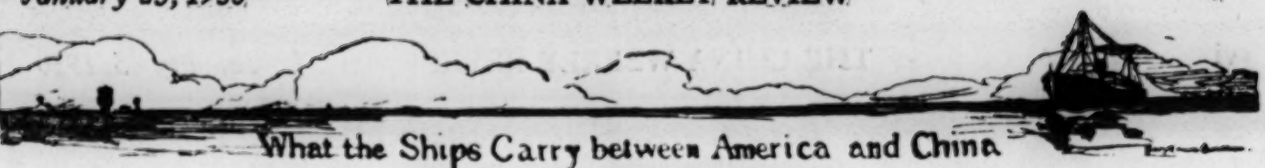
Edward L. Hall, for fifteen years connected with the National Committee of the Y. M. C. A. has been appointed Superintendent of the newly created Chinese Department of the Sun Life Insurance Company of Canada. Mr. Hall has just returned from vacation in the United States, during which he conferred with officials of the head office of the Sun Life Company in Canada. While in the Y. M. C. A., Mr. Hall was active in the educational department and while on his recent trip to America he delivered a number of lectures dealing with cultural development in China. According to report the Sun Life Company is planning the establishment of a number of new agencies in which connection, Mr. Hall will assist in the training of a Chinese personnel.

Provisional Court Conference Concludes Sessions

A dispatch from Nanking on Jan. 22 stated that the conference of Chinese and foreign delegates which has been in session for several weeks in Nanking trying to work out the reorganization of the Shanghai Provisional Court, has concluded its work, the last meeting being held on Jan. 21. A total of 28 meetings of the Chinese and foreign delegates were held. The *Kuo Min* news agency report of the conference on Jan. 22 stated that the draft agreement will be submitted to Dr. C. T. Wang, Foreign Minister for consideration, following which it will be sent to the Central Political Council and the State Council for final approval.

Grover Clark Reports on Famine Conditions in Shansi

Grover Clark, who left Peiping November 26 for a trip into the northwestern provinces as the special delegate of the China International Famine Relief Commission, to enquire into famine conditions and related matters, has issued a report of his observations during travel which covered about 1,400 miles in the province of Shansi. He states that severe famine conditions already exist in at least one small section of Shansi province and that only the southeastern portion of the province is likely to escape the bitter pinch of the lack of food. He states that the destitution will be due entirely to natural causes.



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls.; Jan. Customs Rate Tls. 1.71 equal Gold $1

HAGUE MARU, December 10.
(Agents: Osaka Shosen Kaisha.)
To U. S. of America.

Tea, Green:		
Young Hyson, Hangchow	Pls.	114
Gunpowder, Ningpo etc.	,,	189
Egg Albumen, Dried	,,	230
Egg Yolk, Dried	,,	51
Oil, Wood	,,	11,628
Hides, Buffalo	,,	115
Skins, Goat, Untanned	,,	116
Wool, Sheep's	,,	309

PRESIDENT van BUREN, Dec. 10.
(Agents: Robert Dollar Co.)
To U. S. of America.

Silk Cocoons, Pierced:		
Shanghai Bls. 20	Pls.	60.97
Ningpo Bls. 22	,,	65.89
Silk, Waste, Refuse:		
Shanghai Bls. 62	,,	202.56
Chefoo Bls. 86	,,	304.87
Antimony, Regulus	,,	840
Bristles, Assorted	,,	10
Hides, Buffalo	,,	141
Skins, Badger, Untanned	Pcs.	4,415
Skins, Wild Cat,	,,	700

PRESIDENT CLEVELAND, Dec. 13.
(Agents: Robert Dollar Co.)
From U. S. of America.

Lead, Pig	Pls.	1,683
Asparagus	,,	65
Canned Awabi	,,	59
Barley, Pearl	,,	19
Beans	,,	12
Butter	,,	4
Coffee	,,	4
Fish, Cod, Dried	,,	5
Fruits, Table	,,	163
Leather, Calf, Coloured	,,	4
Leather, Sole	,,	50
Macaroni, in bulk	,,	65
Milk, Condensed	,,	45
Oats, Rolled	,,	28
Oranges, Fresh	,,	18
Shrimps, Dried	,,	132
Tin-foil	,,	4
Wax, Paraffin	,,	168
Brass Beds	Pcs.	18
Lemons, Fresh	,,	54,300
Motor-cars	,,	8
Motor-truck	,,	2
Rubber Tires:		
For Motor-cars	,,	68
Rubber Inner Tubes:		
For Motor-cars	,,	68
Oil, Lubricating, Mineral	Galls.	43,727
Enamelledware	Hk.Tls.	18,832
Infants' Food	,,	7,295
Treasure:		
Silver Bars	,,	1,520,548

TAIPINGYANG, December 14.
(Agents: Dodwell & Co.)
From U. S. of America.

Grease	Pls.	612
Indigo Paste, Artificial:		
20 per cent. strength	,,	1,020
Lead-foil and Tinfoil Mixture	,,	489
Paper, Chipboard	,,	7,835
Soda, Caustic	,,	3,108
Sulphur Black	,,	262
Tobacco, Leaf	,,	6,324
Motor-truck Chassis	Pcs.	12

ASAMA MARU, December 14.
(Agents: Nippon Yusen Kaisha.)
To U. S. of America.

Silk, Raw, Steam Filature:		
White, S'hai... Bls. 255	Pls.	253.68
Yellow, Chungking, etc. Bls. 90	,,	91.37
Silk, Raw, Re-reeled:		
White, Soochow Bls. 30	,,	30.28
Silk, Raw, Filature:		
Wild, Antung... Bls. 50	,,	51.77
Silk, Raw, Reeled from Doupions:		
Shanghai Bls. 25	Pls.	24.56
Silk, Waste, Refuse:		
Shanghai Bls. 54	,,	170.08
Tea, Black, Congou, H'kow	,,	75
Tea, Green:		
Imperial, Kiukiang	,,	1
Gunpowder, Ningpo etc.	,,	735
Antimony, Regulus	,,	1,680
Cotton, Raw Bls. 150	,,	563
Egg Yolk, Dried	,,	84
Hair, Human	,,	50
Oil, Wood	,,	449
Wool, Sheep's	,,	419
Hats, Buntal Fibre	Pcs.	3,108
Hats, Hemp	,,	1,800
Treasure:		
Gold Bars	Hk.Tls.	238,810

VENICE MARU, December 20.
(Agents: Showa Transportation Co.)
To Japan.

Bags, Gunny, Waste, Old	Pls.	1,210
Cotton Rags, Old	,,	490
Hemp Skin	,,	100
Oil, Wood	,,	231
Paper, Cuttings	,,	900

To U. S. of America.

Silk, Raw, Steam Filature:		
White, S'hai... Bls. 325	Pls.	323.26
Silk, Raw, Reeled from Doupions:		
Shanghai Bls. 10	Pls.	9.80
Silk, Raw, Filature:		
Wild Dairen, etc. Bls. 150	,,	157.59
Bristles, Assorted	,,	50
Cotton Rags, Old	,,	1,842
Cotton Waste	,,	447
Egg Albumen, Dired	,,	231
Egg Melange	,,	84
Feathers, Duck	,,	85
Feathers, Goose	,,	20
Nutgalls	,,	164
Seed, Sesamum	,,	252

Latest New York Stock Exchange Quotations

Market Firm — Jan. 21. — Business Done 2,233,230 Shares

1929 High	1929 Low	STOCKS	Monday Jan. 20	Tuesday Jan. 21
354¼	197	Allied Chemical & Dye	262	265
110	23	Allied Power & Light	40	41
184½	86	American Can	122	123⅜
144⅜	60	American Rolling Mill	84⅞	86½
130¼	62	American Smelting	71¾	70⅜
310¼	193¼	American Tel. & Tel.	218¼	218¾
235	160	American Tobacco "B"	213¼	212¼
199	50	American Water Works	Unq	90¼
140	67½	Anaconda Copper	71⅜	71
77⅞	30	Atlantic Refining	36⅜	36¾
145⅛	105	Baltimore & Ohio	116⅞	117¾
140¼	78¼	Bethlehem Steel	94¼	96¼
61⅞	25	Calumet & Hecla	29⅞	29⅜
265⅞	187¼	Canadian Pacific Railway	198	199
92	42⅛	Chesapeake Corporation	65⅜	Unq
108½	75	Chicago Northwestern	85	84½
143½	97	Chicago Rock Island	Unq	116½
135	26	Chrysler	34½	35
68⅛	20	Cities Service, Common	28¼	28¼
140	52	Columbia Gas & Electric	76⅛	76¾
88¾	16⅛	Columbia Graphaphone	26⅛	25⅝
63	20⅛	Commercial Solvents	28⅛	29¼
183¼	80⅛	Consolidated Gas of N. Y.	104¼	105⅜
47⅛	18	Continental Oil	21¾	21⅝
126⅜	70	Corn Products	90¾	91⅞
82¼	21¼	Coty, Inc.	26⅜	29
30⅛	6½	Curtiss Wright, Common	7¼	7¼
69⅛	21¼	Davison Chemical	31¼	30
231	80	Du Pont de Nemours	115⅝	115¼
264¼	150	Eastman Kodak Company	179⅞	180½
189	50	Electric Bond & Share	83⅛	84½
93½	41½	Erie Railway	58	58
105⅝	17¼	Fox Film "A"	19¾	19¾
403	168⅛	General Electric	245¾	249
81¾	35	General Food	47⅜	48
91¼	33½	General Motors	39⅜	40¼
126½	70	General Railway Signal	91	Unq
82	31½	Gold Dust	43	43¼
105¼	40⅛	Goodrich Rubber	42½	43¼
154½	60	Goodyear Tire & Rubber	63½	64¼
102⅞	43	Granby	52½	52⅜
122¼	80	Great Northern Certificate	93½	94⅞
82⅜	27⅞	Haygart	Unq	Unq
102¾	48	International Cement	57	56¾
103½	4¼	International Comb. Engine	5⅝	6
142	65	International Harvester	81	82
72¼	25	International Nickel	34¾	35¼
68⅜	40	International Printers Ink	46¼	Unq
14¼	4¼	International Products (Com)	Unq	Unq
149¼	53	International Tel. & Tel.	69	70¼
242¼	90	Johns Manville	127	125⅛
104⅞	49¾	Kennecott Copper	56¼	56¼
157¼	80⅛	Lambert Company	101	101
102¼	65	Lehigh Valley	Unq	Unq
106¼	80	Liggett & Myers. "B"	100½	100⅛
24	11⅛	Madison Square Garden	Unq	12
101⅜	46	Missouri Pacific (Com)	90	90
156⅞	45⅛	Montgomery Ward	41⅛	41¼
62⅞	23¼	Nevada Consolidated Copper	28	28
256½	160	New York Central	170⅛	173⅛
118⅞	75⅛	Northern Pacific Railway	84¼	85⅛
146½	56⅛	Pacific Lighting	Mut	80⅛
32½	13	Packard Motor Car	15⅜	16
75½	35	Paramount Famous Lasky	54¾	56¼
110	72½	Pennsylvania Railroad	77⅛	78½
30	13⅛	Penn road Corporation	13½	13
47	24¼	Phillips Petroleum	32	32
137¾	54	Public Service of New Jersey	83⅞	85
114¾	26	Radio Corporation	35¾	34⅜
147¾	101½	Reading Railway	123¼	124
66	39	Reynolds Tobacco, "B"	52½	53
181	80	Sears Roebuck	84¾	85
31¾	19	Shell Union	22	22
188	59½	Simmons Company	87⅞	89
93¼	45⅛	Southern California Edison	57¼	57¼
157½	105	Southern Pacific Railway	120¼	120¼
243¼	73½	Standard Gas & Electric	112¾	113⅜
83	43	Standard Oil of New Jersey	62½	63
48⅛	31¾	Standard Oil of New York	32⅜	32⅜
71⅞	50	Texas Corporation	53⅞	53½
85¼	42½	Texas Gulf Sulphur	57¼	57⅛
139¾	58½	Timken Roller Bearing	73½	74
67⅜	20¼	Trans America	42⅞	42⅜
140	59	Union Carbide & Carbon	80	Unq
297⅝	200	Union Pacific Railway	215	Unq
162	31	United Aircraft & Transport	50	50
20½	6¼	United Dry Docks	Unq	Unq
119½	50½	U.S. Realty & Improvement	60	62¼
261¾	150	United States Steel	168⅝	170⅜
116½	37⅛	Vanadium	54	54⅞
292⅝	100	Westinghouse E. & M. (Com)	144½	147¼
		Call Money	4%	4%

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THE CHINA WEEKLY REVIEW

4 AVENUE EDWARD VII *SHANGHAI*

TIENTSIN PUKOW RAILWAY

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Commencing from 10th. December 1928 and until further notice, the above Through Express Trains Nos. 101 and 102 will run twice a week between Pukow and Peiping Via Hsuchowfu and Chengchow. Up Train leaving Pukow at 5.30 p.m. every Monday and Thursday arriving Peiping on 6.35 p.m. every Wednesday and Saturday and Down Train leaving at 7.00 a.m. every Monday and Friday arriving Pukow at 10.49 a.m. every Wednesday and Sunday.

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Time		Station	Time		
Arr.	Dep.		Arr.	Dep.	
18.35		Peiping		7.00	Mon. and/or Fri.
13.59	14.14	Paotingfu	12.01	12.16	"
9.33	10.13	Shihkiachwang	16.10	16.50	"
5.05	5.40	Shuntehfu	20.40	21.11	"
	7.41	Chengchow	8.00		Tues. and/or Sat.
17.11		Chengchow		8.20	"
14.44	15.15	Kaifeng	10.04	10.34	"
	6.11	Hsuchowfu	22.25		"
5.41		Hsuchowfu		22.40	"
23.29	23.59	Pengpu	4.13	4.43	Wed. and/or Sun.
	17.30	Pukow	10.49		"

PASSENGER FARE TABLE

		Peiping	Paotingfu	Shihkiachwang	Shuntehfu	Chengchow	Kaifeng	Hsuchowfu	Pengpu	
Paotingfu	1	8.80								
	2	5.70								
	3	4.15								
Shihkiachwang	1	16.20	8.00							
	2	10.50	5.15							
	3	7.65	3.75							
Shuntehfu	1	22.55	14.55	7.15						
	2	14.65	9.40	4.60						
	3	10.75	6.85	3.30						
Chengchow	1	40.05	31.85	24.65	18.10					
	2	26.00	20.65	15.95	11.65					
	3	19.00	15.10	11.65	8.50					
Kaifeng	1	43.80	35.60	27.80	21.25	3.75				
	2	28.40	23.05	18.05	13.75	2.40				
	3	20.20	16.30	12.70	9.55	1.20				
Hsuchowfu	1	58.95	50.15	42.95	36.40	18.90	15.20			
	2	38.20	32.55	27.85	23.55	12.20	9.85			
	3	25.10	21.05	17.60	14.45	6.10	4.95			
Pengpu	1	69.10	60.30	53.10	46.55	29.05	25.35	10.15		
	2	44.57	39.10	34.40	30.10	18.75	16.40	6.55		
	3	28.40	24.35	20.90	17.75	9.40	8.25	—		
Pukow	1	79.25	71.05	63.25	56.70	39.20	36.10	20.90	10.80	
	2	51.45	46.10	41.10	36.80	25.45	23.40	13.55	7.00	
	3	31.75	27.85	24.25	21.10	12.75	11.75	—	—	

Third class tickets are not booked on home line

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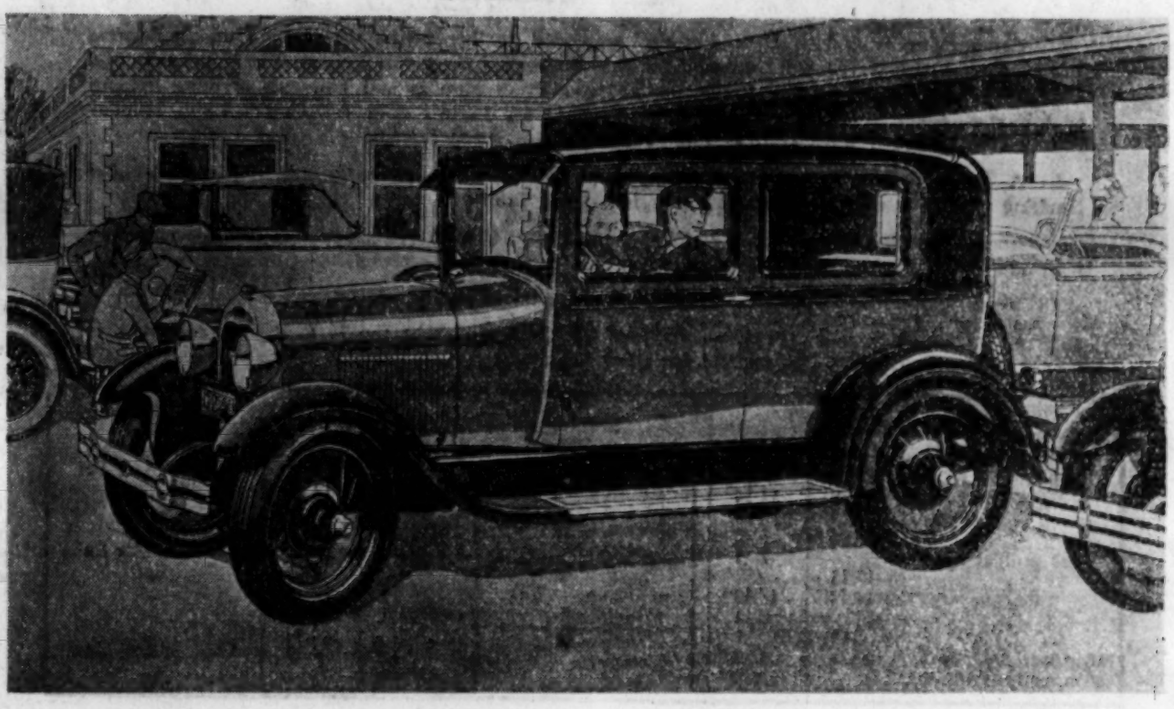

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